

THE 1993 INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT AND THE FUTURE OF U.S. NARCOTICS POLICY

/ 4. F 76/1: N 16/31

he 1993 International Narcotics Co...

....ARING

BEFORE THE

SUBCOMMITTEE ON
INTERNATIONAL SECURITY, INTERNATIONAL
ORGANIZATIONS AND HUMAN RIGHTS
OF THE

COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

MAY 11, 1993

Printed for the use of the Committee on Foreign Affairs

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THE 1993 INTERNATIONAL NARCOTICS CON-TROL STRATEGY REPORT AND THE FUTURE OF U.S. NARCOTICS POLICY

TUESDAY, MAY 11, 1993

House of Representatives, COMMITTEE ON FOREIGN AFFAIRS. SUBCOMMITTEE ON INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS, Washington, DC.

The subcommittee met, pursuant to call, at 2 p.m., in room 2200, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Mr. Lantos. The subcommittee will come to order.

If we could close the door, please. Today the Subcommittee on International Security, International Organizations and Human Rights meets to discuss U.S. narcotics control efforts and to review the annual International Narcotics Control Strategy Report submitted by the executive branch on the 1st of April.

I very much welcome the recent naming by President Clinton of a Drug Czar, Lee Brown, and look forward to working with him on

issues that affect our foreign drug control efforts.

I also look forward to working with my former colleague Under Secretary Tim Wirth in his new position at the Department of State on these issues and on the reorganization of the narcotics, terrorism and crime functions.

Taken in isolation, events around the world paint a fairly bleak picture of efforts to control the production, trafficking, and consumption of illegal narcotics. The break up of the former Soviet Union has unfortunately led to a startling increase in trafficking activities throughout that region, leading some observers to believe that in the near future, these newly independent states will go the way of Colombia.

Narcotics-related corruption is endemic in many countries, the most notable being Pakistan, Colombia, Thailand and Mexico, and this threatens the very fabric of democracy in these countries.

Unfortunately, the United States, despite an increase in awareness of other developed nations, is in large part still going it alone in efforts to assist producer and transit nations, and the debate still rages over the real effectiveness of our own overseas programs. There have been some positive developments, which I am certain our distinguished witnesses will discuss in their statements.

I am very pleased to welcome the Assistant Secretary of State for International Narcotics Matters, the Honorable Mel Levitsky and Mr. John Coleman, the Assistant Administrator for Operations at

the Drug Enforcement Administration.

We are delighted to have you with us today, gentlemen. I look forward to a frank discussion with you about events in the last year in order to lay the groundwork for the subcommittee's further consideration of the future of U.S. narcotics control policy.

Without objection, the full written statements of both of our dis-

tinguished witnesses will be included in the record.

Ambassador Levitsky, you may proceed any way you choose.

STATEMENT OF HON. MELVYN LEVITSKY, ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

Mr. LEVITSKY. Thank you very much, Mr. Chairman.

It is a pleasure to be here and to renew my acquaintance with you. I recall a very successful visit you made to Bulgaria when I was Ambassador there and, in fact, we had on the agenda both narcotics and terrorism.

Mr. Lantos. Absolutely.

Mr. Levitsky. The narcotics financing of arms sales to some terrorist groups. And I recall your having brought that up with the then Communist Bulgarian Government, a thing of the past in this era.

Mr. LANTOS. There is no doubt that visit contributed to transforming Bulgaria into a democracy.

Mr. LEVITSKY. I will second that.

If I might summarize my statement, I have a rather short statement, but I would also like to leave plenty of time for an exchange

with you and your colleagues, Mr. Chairman.

Let me say, first, to point out you have before you a very thick report on the yearly developments in narcotics around the world. It is thicker this year than it ever has been, because in all its wisdom, Congress last year passed a law that required us to report on more countries.

I think it is a very good report. There are very interesting and fascinating sections on such things as money laundering and chemical controls, which is very important for the worldwide effort to stem the drug trade.

THE SCORECARD ON CERTIFICATION

I would call your attention to it. That report is the basis for the President's certification, again by law, of whether some 27 countries considered to be major producers and transit countries, should be certified as having cooperated with the United States fully to carryout the terms of the U.N. Convention, or taken adequate steps on their own. That certification was sent to the Congress on April 1st. and it is before you.

Of the 27 countries, 3 countries were denied certification—Burma, Iran and Syria. And two countries were denied certification but granted national interest waivers, the reasons for which have been laid out in the certification. Those two countries were Afghan-

istan and Lebanon.

Let me point out——

Mr. LANTOS. May I stop you there for a minute, if this is an appropriate question?

Mr. LEVITSKY. Yes.

Mr. LANTOS. You submit your recommendations for certification. How many countries that you recommended for decertification have, in fact, been certified?

Mr. LEVITSKY. Well, I am not sure I can answer that because this is the President's certification, and if I were to say—well, let me

put it this way:

The Secretary of State makes a recommendation to the President. The President signs the certification. There was a great deal of correspondence between those recommendations and what the

President did.

Mr. Lantos. My question is not designed to be critical. I fully understand that there may be overriding considerations of a different nature that would result in a country that was initially recommended for decertification being certified. I understand that. I just would like to know how many such instances there are?

Mr. LEVITSKY. I don't recall any. Mr. LANTOS. So every single—

Mr. LEVITSKY. In the last 4 years, I don't recall any.

Mr. Lantos. So every single one of the countries that you recommended for decertification were in fact not certified?

Mr. LEVITSKY. That is right.

Mr. Lantos. I am very pleased to hear that.

U.S. ANTINARCOTICS POLICY GOALS

Mr. LEVITSKY. Let me also point out that I am here today as the narcotics control effort is under review. The Administration is looking at a range of options and a mix of programs as part of the comprehensive review. We are going to take a hard look and are taking a hard look at what the U.S. Government has been doing over the last 4 years, what has worked, what has seemed not to work.

We have, obviously, a tight budget situation, so we have to match resources to results. That review, I hope, will be before you soon, and we will certainly look forward to consulting with you and

other committees of the Congress at that time.

But it is not completed. Let me say it is taking place within the context of our effort to promote two broad goals. The first goal is an obvious one. It is to support the domestic objective of reducing drug abuse and drug-related crime in the United States by promoting and assisting efforts by other countries and multilateral institutions to stem drug production trafficking and use worldwide.

But the second goal, which is often lost in the mix, I think, is to support other important foreign policy priorities in promoting democracy, respect for human rights, sustainable economic growth and environmental protection. And that goal recognizes that drug production and trafficking and the whole drug chain weakens democratic systems and free market economies, because traffickers attempt to corrupt and threaten institutions such as the courts, judicial systems in general, the police, legislatures, financial systems, and because such things as slash and burn drug cultivation and the indiscriminate use of chemicals bring about environmental degradation.

Now, as I said the policy is under review, but I would like to cite a statement by President Clinton during the ceremony when he announced the nomination of Lee Brown as Director of the Office of National Drug Control Policy, the Drug Czar. President Clinton said, and I quote: "We will continue to work with other nations who have shown the political will to fight illegal drugs. They will continue to get our full support and cooperation."

There have been other similar statements, and I would call attention to Deputy Secretary Wharton's statement to the Council of the Americas on May 3rd, when he was speaking on behalf of Secretary Christopher. Mr. Wharton made a similar statement with

regard to this hemisphere.

So with this background in mind, I would like to just very briefly take a look at developments over the past year and look at this as a movie rather than a snapshot, if I might. Since I have been in this business for about 4 years, I think it is worthwhile to look at it in a somewhat broader perspective.

INCREASED MULTILATERAL COOPERATION ON NARCOTICS

As always, when we try to do a balance sheet on this issue, Mr. Chairman, we see both the good side and the bad side. I would like

to start what we consider to be the positive side.

Looking at the more positive side of things—and remember for every good action, there seems to be a bad one always cropping up—let me point out, first, under the general rubric of multilateral activity, note our view, and it is outlined in our report, that there are more countries that have come on board in international cooperation, more countries that have seen this as a threat, not as a favor to the United States but something that threatens their own national security, their own societies, their own economies.

They do what they are doing for their own national interests. I

think that is a positive.

We, along with several other countries, have undertaken a broad effort to get the United Nations more heavily and more effectively involved. A couple of years ago, we pushed very hard for, and had formed, the U.N. Drug Control Program, which consolidated several U.N. programs. It now is a major aid provider in the counternarcotics field and we pushed for something called the System-Wide Action Plan or the SWAP, which seeks to involve agencies such as the UNDP and UNICEF in the drug program in terms of how drugs affect their particular interests. For example, I have spoken on this issue with the head of UNICEF and UNDP.

When you see children in the streets of Rio de Janeiro who are street children selling drugs, sniffing glue and taking drugs on their own, there has to be a concern on the part of UNICEF as to how the drug issue affects the health and well-being of children. It has been that kind of issue we have been trying to promote in the

United Nations.

I would also point out in the chemical control area and the money laundering area, two broad efforts exist, the Chemical Action Task Force and the Financial Action Task Force, both of which stem from G-7 summits which have involved approximately 27 or 28 countries in trying to promote chemical control and money laun-

dering regimes worldwide, with a certain degree of success. We

could go into that in more detail later, if you wish.

I also point out we have been supported by other agencies. The OAS has a special drug body that has been quite active in the hemisphere. And we as a result of the U.S. initiative, have created the so-called Dublin Group, which is an informal body of nations interested in drug control worldwide trying to coordinate their own policies, composed of ourselves, the European Community countries, the U.N., Japan, Australia, Sweden, Norway, and Canada.

Let me just take a brief look at some individual countries. You

mentioned some in your opening statement.

COMBATING THE COCAINE TRADE

I divide this between cocaine and heroin, loosely, although sometimes there are, unfortunately, some countries that have both. The Andean Initiative is one effort that has been sustained over the last 4 years and continues to be an initiative of some interest, because all the cocaine that comes to this country originats in that area, contrasted with the heroin problem where it is worldwide.

Sixty percent of the cocaine originates in Peru, a key country in that effort. Most cocaine in final form is produced in Colombia, so we have an intense interest in the programs in that country, and have devoted over the last 4 years, quite a significant amount of money, both in terms of direct narcotics assistance and economic

and military assistance to that effort.

Our assessment is that over the last few years, stronger and, in some cases, particularly in the case of Colombia, very strong institutions of law enforcement and the judiciary have been built. If you look at Colombia, for example, over the past 3 years, they have arrested some 500 or more major traffickers out of the old Medellin Cartel, which has been virtually dismantled. They continue to have problems with the Cali Cartel and with significant independent organizations, but their effort has been both recognized as a model, and despite the severe problem of corruption, which you mentioned, and I agree is the biggest impediment to sound narcotics policies worldwide, have come out with tremendous results.

This Colombian effort has been with a great deal of cost to themselves. In 1 year alone, I recall they lost 1,000 police officials, judiciary officials and government officials to the cocaine cartels. So

they have paid a significant cost.

And as I mentioned before, they have accomplished this program as an effort in line with their own national interests. If the drug lords take over, Colombia won't be much of a country, and that is a fact.

We have a long way to go in the Andes, but there is an institutional base, and we have to look at this in terms of reviewing what programs in reforming judiciaries, in bringing in honest police

forces, should be sustainable and should be improved.

Let me also mention on the positive side of things, the effort in Mexico. I recall, 5 or 6 years ago, Mr. Chairman, the Senate passed a resolution of decertification, the situation had gotten so bad. It was not passed by the House, and Mexico was certified. But I think during the term of the Salinas Administration, tremendous progress has been made.

Again, I think President Salinas only had to look south to Colombia to see the kind of problems that existed in a country that hadn't paid close enough attention, and decided that Mexico had to do something for its own sake. They have had a tremendous effort there.

There has generally been better performance, although the production is very large, if you look at a few years ago where countries worldwide were seizing in the category of 100 metric tons of cocaine a year. Last year, and the year before, you add the two together, you have got 600 metric tons of cocaine taken out of the market through our efforts in the United States and through foreign efforts.

THE RECORD ON HEROIN

Let me again briefly look now at heroin. This is, in many ways, a much more difficult program, although it hasn't yet affected our society in such a widespread way as cocaine. It has affected the other societies in a much more significant way, both in Europe and, unfortunately, in a number of developing countries that don't need another problem lumped onto the general problems of poverty and other economic and, political problems.

The fact is that two countries alone that are outside the reach of U.S. Government influence, outside the reach almost of international influence, would produce enough heroin probably for most of the world, and those two countries are Burma and Afghanistan. We do not have programs, nor do other countries have significant

programs in either of those countries.

The areas where the drugs grow are controlled mainly by warlords. And in the case of Afghanistan, while a central regime exists, it does not have effective control over the area. In the case of Burma, one wonders whether even if the regime had effective control, they would do much about it, given their record of making deals with one side or the other in allowing heroin trafficking to go through in order to get at one of the other insurgent groups.

There have been some bright spots. I think as a general point, wherever we have been solved to be a solved

There have been some bright spots. I think as a general point, wherever we have been able to help a country in reducing opium, there have been reductions. And I would cite Mexico, Guatemala, Pakistan, Laos, and Colombia as places where opium grows and where with our support and international support, production of

drugs has come down.

CONTINUED RESILIENCY OF THE NARCOTICS TRADE

On the negative side of things, and this is a significant list, but I will boil it down, cultivation and production remain high worldwide of all drugs. More than enough drugs for every country in the world. And, in fact, traffickers have created new markets, as I mentioned, in some of the developing countries, which is a blow to other programs and other policies we have.

Hundreds of tons of cocaine and heroin continue to flow to the United States, to Europe, to other countries, while consumption has risen even in our own hemisphere to the south in Latin Amer-

ica.

You pointed out that in the former Soviet Union, Central Asia, there is great concern about crime. There was an article just the

other day in the Christian Science Monitor, which I think outlines the problem very well. General crime has increased in a situation of disorder, in a situation in which some of the former, what used to be called the "organs of repression," have, in fact, broken down, a lot of freelancing, a lot of corruption and a tremendous amount of criminal activity.

And some of those states, as you well, know lie right along the area of Afghanistan, Pakistan and are potential major producers of the opium and heroin themselves. This bodes very ill for other policies to promote democracy and stability, and it is something we have just begun to deal with, we in the U.N. and other countries, but which needs to be plussed up and looked at very carefully.

I would say just as a comment, it is very difficult. We have sent a delegation off to Central Asia, and Mr. Chairman, I know you are interested in this area, so I will just say another couple of words about it. The problem has been finding the institutions that can deal with the issue. Finding a national plan that is aimed at the issue. And trying to coordinate an effort and give some assistance

that will be effective and not just go into a sink hole.

We are looking at this. The U.N. has had missions there. We are trying to help build some kind of national strategies in these countries so there can be a focus. And you can imagine with the number of other problems they have, this has not been the highest priority, even though it is a matter of great concern to a number of leaders there, whom I have talked with and others have talked with.

So we are going to have to for reasons other than the fact that these drugs come to us, for other foreign policy reasons, take a very hard look at that and see what we can do but do it wisely and in

a strategic way.

Let me finally say on the bad news side as a final comment here, if you look at the hits that the trafficking organizations have taken, Cali, Medellin, and traffickers linked up around the world, in the United States and a number of countries, you see an upsurge in activity. The fact remains, this illegal drug trafficking industry continues to be strong, ruthless, rich and adaptable, so it is a formidable foe.

FORMULATING A NEW DRUG POLICY

So this is, I think, a balance sheet in which I have attempted to be candid and open about the problems we face. I think we have made some progress over the last 4 years. As I say, it is good to review these things.

There will be a new team that will have to deal with these issues. You mentioned Mr. Wirth. One of the things at stake that is important is we are looking at global issues in a more concentrated

way and how they relate to each other.

How do human rights and democracy fit in with counternarcotics programs? How do environmental concerns fit in with these same global issues?

And I hope and I expect that we will be able to deal with these

issues in an effective way in the future.

However we choose to structure our efforts, I am convinced that a strong international component of our drug policy is key to both success in terms of our domestic objective and in terms of our for-

eign policy issues. And while the work will continue to be difficult, I believe very strongly that it will continue to be necessary.

Thank you, Mr. Chairman.

Mr. Lantos. Thank you very much, Mr. Ambassador.

[The prepared statement of Mr. Levitsky appears in the appen-

STATEMENT OF JOHN COLEMAN, ASSISTANT ADMINISTRATOR FOR OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION

Mr. LANTOS. Mr. Coleman.

Mr. COLEMAN. Chairman Lantos, I appreciate this opportunity to appear before you today to discuss DEA progress in international drug control efforts. I am also pleased to appear alongside my friend and colleague, Ambassador Levitsky, who has provided a similarly and comprehensive briefing in opening statement, which, by the way, I will try to avoid repeating in my brief remarks.

THE COCAINE THREAT

Cocaine is still our most serious drug problem in the United States. And as you well know, Mr. Chairman, cocaine trafficking to the United States is controlled by the Colombian cocaine cartels who remain a constant threat despite the efforts of the Government of Colombia and the U.S. Government, including those of DEA.

While the power of the Medellin Cartel may have seriously waned with the disintegration of the Escobar organization, he is still not behind bars and the Cali Cartel remains a major force in the cocaine trade. Indeed, an article appearing in today's Washington Post reports the indictment and arrest of two alleged assassins who were sent from Colombia to the United States to kill the editor of La Prensa, America's oldest Spanish newspaper.

DEA, which led this particular investigation of this case, has identified Jose Santacruz Londono, a well-known Cali Cartel leader

and considered a kingpin as the organizer of this event.

Cocaine seizures during fiscal year 1992 demonstrate the magnitude of this problem. According to preliminary figures, almost 280 metric tons of cocaine were seized worldwide last year. 37.5 metric tons of which were seized in Colombia alone. It is estimated that between 955 and 1,165 metric tons of cocaine may have been produced in 1992.

UPSURGE IN OPIUM PRODUCTION

Another serious drug threat to the United States is heroin. In the last 5 years, opium production has doubled, principally in Southeast Asia, including a fourfold increase in Burma during the

same time period.

It is estimated that over 3,700 metric tons of opium were produced worldwide in 1992. The increase in production has led to increased availability of high-purity Southeast Asian heroin in major United States cities on the east coast, primarily in New York City, which is the central hub for Southeast Asian heroin trafficking and distribution in the United States.

The heroin problem is further exacerbated by the emergence of Colombian traffickers in opium production and heroin trafficking to

the United States. In recognition of numerous challenges that lie ahead, DEA, with the support of other U.S. Government agencies, has devoted a significant share of resources to developing a strategy which more effectively targets the leaders of the drug trade.

THE KINGPIN STRATEGY

This strategy, which is known as the "kingpin strategy," is aimed specifically at attacking and ultimately disrupting and dismantling those organizations that produce, transport, and distribute the preponderance of illicit cocaine and other drugs to our Nation's cities and towns.

As defined by DEA, a kingpin is a leader of an international drug trafficking organization or part of a drug consortium in a source country, who is responsible for directing the financial operations and all phases of unlawful production, transportation, and distribu-

tion of bulk quantities of drugs.

By targeting these kingpins and dismantling their organizations' infrastructure and exploiting their vulnerabilities in communications, transportation, precursor chemicals, and financial operations, we can significantly reduce the extent of drug trafficking operations in the United States, as well as have an impact on the availability of drugs throughout this country.

Currently, there are a total of 10 kingpin organization investigations, including 7 cocaine and 3 heroin operations. Early results of the kingpin strategy have been encouraging. During the investigation of Cali kingpin Helmer Herrera, the New York—DEA Joint Task Force focused on the cartel's primary vulnerability: Its com-

munications network.

It is absolutely essential that the kingpin leadership in Medellin and Cali be able to communicate regularly with their financial, transportation, and distribution networks in the United States. Recognizing this as a potential weakness, DEA, over a period of 18 months, conducted court-ordered wire intercepts, wiretaps on more than 100 telephone lines.

The result was the interception of 17,900 drug-related conversations, which provided valuable information on the operations of this

kingpin.

DEA arrested over 100 people, including 45 cell employees and seized over 2,700 kilograms of cocaine and more than \$20 million. Also seized from this single investigation were the computer hard drives and floppy disks used by the cell to monitor and report its activities back to its command control center in Colombia.

These protected and encrypted records indicated that a single New York City cell of this particular cartel was responsible for amassing more than \$225 million in drug proceeds during a 24-

month period between 1990 and 1991.

Mr. Lantos. How large was this cell?

Mr. COLEMAN. There were approximately 100 people arrested in New York, about half of whom were directly members of this particular cell. It is estimated that there may have been two such cells operating under this one group under this one cartel in the New York area.

Those would be people who would be responsible for bringing the drugs into town, storing the drugs, protecting the drugs and mak-

ing sure that the distribution was carried out in accordance with their very strictly controlled plans for security and that would include a number of people whose jobs perhaps would be street surveillance officers, individuals who would precede the transactions to detect the presence of law enforcement officers or rival groups that might be available or there waiting for the transaction.

Mr. LANTOS. Thank you. Please continue.

Mr. COLEMAN [continuing]. In addition to the pressure that DEA continues to apply to these kingpins, DEA and other U.S. agencies are also attacking them by denying them access to essential chemicals through our chemical control programs. Because of the Chemical Diversion and Trafficking Act, we have been able to place a system of controls over the distribution importation and exportation of these essential chemicals.

In view of all that has been accomplished, it is now time for action. The fact remains that the chemicals needed to process illicit drugs are still readily available to traffickers in the world market. We are not aware of any reduction in the level of exports of cocaine-essential chemicals from Europe to the Andean region, for example. And we have proposed specific plans for joint investigative operations with key European source countries. And we are looking forward to their responses.

DEA is also attacking the kingpins by disrupting their financial operations. As you well know, Mr. Chairman, drug kingpins rely on an extensive network of money laundering organizations and have devised numerous schemes to launder transfer and hide millions of

dollars of ill-gotten profits throughout the world.

In response to this problem, DEA, in cooperation with a host of other Federal, State, and local law enforcement agencies, worked to develop strategies to disrupt the illicit operations of drug trafficking organizations through the seizure and forfeiture of their assets. One such successful endeavor is called DEA's Operation Green Ice. Initiated in January of 1990, Operation Green Ice was developed to identify and disrupt and dismantle cartel cells in the United States and Europe.

Other objectives of this operation were to arrest money launderers and traffickers of these cells, to seize cartel cash and assets, and to disrupt the cartel's money flow back to Colombia. These objectives were achieved largely through the international cooperation of Spain, the United Kingdom, Italy, Canada, the Cay-

man Islands, Costa Rica, and Columbia.

As a result of this single operation, Operation Green Ice, worldwide, over \$57 million was seized and 192 people arrested, along

with the seizure of 1.2 tons of cocaine.

Lastly, through the efforts of our Financial Investigations Program, DEA seized almost \$1 billion in trafficker assets. In fact, DEA seized more assets than our entire budget last year.

DEA ROLE OVERSEAS

DEA's day-to-day international operations are carried out by agents and support personnel in 73 overseas offices, in 50 nations. Our overseas efforts are directed toward encouraging, advising, and assisting host country governments in developing programs and seizures, to conduct international investigations focused at the

highest level of the drug traffic within these host nations.

Our overseas efforts carried out in concert with other U.S. Government agencies also include developing programs to reduce the supply of drugs in-country, to eliminate foreign clandestine conversion laboratories, to identify export staging areas and interdict the drugs and to reduce the diversion of legitimate drugs and essential chemicals from the international commerce.

In addition, DEA assists host governments in developing effective drug law enforcement legislation, management, and practices. DEA's presence in foreign countries I must add, is only at the invi-

tation of the host country government.

Another important aspect of DEA's role in the foreign countries is to provide law enforcement training to our foreign counterparts. This specialized training enables worldwide law enforcement agencies to be better equipped to address the many challenges of the complex and changing drug situation.

Last year, DEA conducted international drug enforcement training for 2,247 law enforcement personnel from foreign countries. I might add that the funds for these programs are provided by the State Department's Bureau of International Narcotics Matters.

In total, over 105 countries took part in these international drug enforcement training courses sponsored by DEA, including Argentina, Brazil, Colombia, Mexico, Costa Rica, Morocco, Greece, Turkey, the former Soviet Union, Thailand, and Laos. Since the inception of the international training program in 1968, DEA has trained a total of 37,864 foreign officers and officials.

CHALLENGES AHEAD

In conclusion, Mr. Chairman, as you well know, there are many challenges which remain as we undertake efforts to control the global drug trade. While we have made serious inroads into the Medellin and Cali Cartels frustrating their activities in moving

drugs and money, our efforts will continue.

Other cartels may emerge and trafficking routes will shift. Heroin continues to pose a major threat to the United States and the rest of the world. With the relaxation of border controls in Europe and the disintegration of the Soviet Bloc, we are witnessing the birth of new markets for drugs, new recruits for cartel operations and new opportunities for money laundering in these areas of the world.

We appreciate the subcommittee's interest and support of our international narcotics control efforts and I would be most happy to answer any questions you or any other Members of the subcommittee may have.

Thank you very much for the opportunity to speak with you

today.

[The prepared statement of Mr. Coleman appears in the appendix.]

Mr. Lantos. Thank you very much, Mr. Coleman, for a very fine

presentation.

Before I turn to my distinguished colleague, Congressman Gilman, the subcommittee will observe a moment of silence, remem-

bering Manuel de Dios Unanue, the crusading antidrug journalist who was assassinated because of his perseverance and courage in exposing this monstrous activity.

[Moment of silence.]

Mr. LANTOS. I now would like to call on Congressman Gilman, who has been the champion crusader in this field for many years, both in the Congress of the United States and in our semiannual

meetings with the European Parliament.

Congressman Gilman and I cochair the U.S. Permanent Congressional Delegation to the European Parliament, where over the course of many years he has built up a degree of respect and credibility on many issues, but foremost on the issue of the fight against drugs. And to whatever extent our European friends in the European Community have moved toward a more forceful policy, Congressman Gilman deserves a great deal of the credit. So I am delighted to call on my friend and colleague.

Mr. GILMAN. Thank you, Mr. Chairman. Thank you for your kind remarks particularly for the moment of silence for another drug

warrior who has met a tragic end.

We have seen too much of that over the past few years. Those who have been on the leading edge of the drug war in many countries have fallen at the hands of the narcotics traffickers. I am hoping that we can continue a strong effort in the direction of helping other nations battle this, as well as we try to help our own Nation confront the trafficking and the poor victims of drug trafficking.

Mr. Chairman, I want to thank you and Mr. Bereuter for holding this important and timely hearing on international narcotics control strategy. We regret that our own Select Committee on Narcotics has been cast aside by the budgeteers, and regret, too, that funds are being cut in many important areas in our drug war.

funds are being cut in many important areas in our drug war.

The importance of the fight against drugs cannot be discounted in our own society and in other nations. Narcotics affects every aspect of our own Nation and our human environment, from the workplace, to our schools, to our neighborhoods and the very safety of our citizens on the streets of our cities, not to mention all of the young people who have become victims of drug abuse.

As we look to the future of the fight against drugs and how we should proceed, I hope we will not overlook the hard-fought lessons

and the experience in this long struggle from the past.

Based on this vast and extensive experience that we have gained fighting illicit drugs, we don't have to reinvent the wheel. So often we are hearing from experts out there who are suggesting just that

There are five major battlefields that we all have recognized are the important elements as we try to reduce both supply and demand: Trying to eradicate the drugs at their source; to interdict once they get in the mainstream of distribution; and then to enhance our enforcement efforts when they reach other own shorelines. And then on the demand side: To make certain that we provide proper education; to make certain our young people don't become involved; and then to take care of the victims through rehabilitation and treatment.

I think we have to battle all of those simultaneously and not put one aside for the other, give one more priority than the other. All of these elements are critical and must be undertaken all at once, and one cannot be stressed at the expense of the other.

So we welcome the testimony of our experts who are here today. With your permission, Mr. Chairman, I would like to ask a few questions of our panel.

Ambassador Levitsky, it is good seeing you still in place, and we hope you will continue in place for a good long while. I know the problems of the moment are still out there, but it is good that you

are still keeping the shop moving.

Mr. LEVITSKY. Mr. Gilman, may I just say a word? I think this is probably going to be my last hearing. I have had 4 years, and I had my secretary count up the other day. In 4 years, I have testified 56 times. This is the 57th time. During most of them you have been there. And I just wanted to say to you how much we have appreciated both your support and your very positive criticism at all the times.

Sometimes over the past 3 years we have had a few fights, not with you necessarily, but with others, and some disagreement. I think it is because it is such a controversial and difficult issue.

Someone asked me the other day, and I looked back at my career, what things I have done. I worked in the former Soviet Union on dissidents and refusniks. I worked for the YOA and as Deputy

Assistant Secretary for Human Rights.
I worked in U.N. affairs. I did some Latin America work. I have been all over the place and I have never dealt with such a difficult, intractable issue as this one, because so much of it is outside the control of governments, including our own, if you look at the stories of the alleged drug lords in the U.S. who continue to evade the criminal justice system.

But I just wanted to say I very much appreciated your support. I know Mr. Lantos; I know how vigorous he is. As he said earlier

in the hearing, there will be a very strong effort.

I would only say one thing. I think it is worthwhile and certainly natural for a new Administration to look at policies that are in place, to see what results have been accomplished. In my own sense, I don't believe that there is an attempt to stress one thing at the expense of another. But there is an attempt in difficult budgetary times, to see what pays off. I think that is the bottom line that we all need to keep our eye on.

But I have a strong feeling, and based on the statements of the President, Attorney General Reno, and others now, that this certainly is going to be a strong effort in this regard and there will be a strong international component. What the elements are will depend really on what the review is that is underway right now.

Mr. GILMAN. We thank you for your words and it is good that you are there reminding the new Administration of some of the hard lessons that you have gained over the years and some of your experiences. I dare say, I had a little more darker hair when we started and you had a little more hair when we started, but we have both learned the complexities of this problem, and our good chairman who has helped on the international scene. I think, incidentally, I want to laud our European Community, who we have worked with, for finally having established a narcotics committee. And we argued for many years to try to encourage them to do that, at the same time, we back out and get rid of our own select committee, which is unfortunate.

But I want you to know, we just met this morning and we will be continuing a task force of some form or another of select com-

mittee Members, and we will continue the battle.

Mr. Ambassador, as you indicated in your statement, the Administration is conducting a policy review and here we are in May, and I would hope that review will be concluded at an early date. Do you have any idea when that policy review will be concluded and have you had some input in that review?

REASSESSING U.S. DRUG POLICY

Mr. LEVITSKY. Oh, yes. All the agencies that have been involved in the past have had input. We have looked at a variety of options. The President has just appointed Mr. Brown, I am sure you will want to have Mr. Brown take a look at this because it is an important component of his overall area of authority.

I can't tell you when the review results will come out because I

really don't know. A lot of the study and the background material in terms of evaluation of programs is completed. Now we have a

very thick stack of papers.

The task is to take that thick stack of papers and make them into intelligible options and decisions, recommendations for decisions by the President and for Mr. Brown.

I have a feeling that it won't be too long, but I can't tell you

whether it will be a matter of several weeks or more.

Mr. GILMAN. Have you had an opportunity of reviewing that?

Mr. LEVITSKY. Yes.

Mr. GILMAN. Have you had an opportunity to make some input? Mr. LEVITSKY. Oh, yes. My staff and I think the DEA staff and others have been very busy putting together the papers. Of course, the decision is going to be the President's on some of these issues, but we have tried in as objective and candid a way as we can, to lay out what has been done, what we believe has been successful, what seems to have been not so successful and what some of the resources are, how much it costs to do these things.

It is quite a task, I must say, and putting it together in an intel-

ligible way, to make up a strategy, is an equally difficult task.

Mr. GILMAN. Mr. Ambassador, are the policy people who have to make the final decisions in place now, to make the final decisions on this drug policy, are they in place now or are there still some

open slots?

Mr. LEVITSKY. I think most of them are. There will be someone to replace me, at some point. I have served 4 years, and my normal tour, whether there had been a change in Administrations or not, would have come to an end. But the mechanism will be within the National Security Council structure, which includes all the agencies and the policy officials there.

There probably will be some new appointments and, certainly a Drug Czar's Office, since he has just been named, he will have some new people brought in. He will have a full opportunity to re-

view it, I am sure.

Mr. GILMAN. And we think it is a good appointment and we look forward to working with Mr. Brown.

Mr. LEVITSKY. I don't know Mr. Brown, and I looked at his credentials and I can't think of a person who has more experience in this regard.

Mr. GILMAN. Mr. Coleman, have you had some input with regard

to the new drug policy?

Mr. COLEMAN. Yes, sir. We participated in the policy review process and submitted extensive analysis to the National Security Council.

Mr. GILMAN. Let me ask both of you, some recent press reports have indicated that the Administration is considering curtailing some of the overseas drug control programs in favor of shifting more to the domestic programs; how do you feel about that?

Mr. LEVITSKY. Well, I don't think there is any doubt that the main job we have is here at home. It is our drug abuse problem here, it is the crime that comes from it. But I think there is also no doubt that there is a substantial contributing factor to that

problem in terms of overseas activities.

Most of the drugs, heroin and cocaine, don't grow here. It all begins somewhere else and unless you are going to assume that you can do everything you need to do in demand reduction here at home and not affect the supply or at least the distribution networks and those organizations that are trying to pump it in, then you are going to have to have a decent foreign international component of this.

Now, this doesn't mean that the United States can do it all by itself. Far from that. And one of the things we have tried to do, and I feel proud on passing over to the new Administration, is a substantial structure of international activity that can be used. The Dublin Group, a much more involved U.N., the OAS, certainly have

been pumped up during the last few years.

We have tried with some other organizations, such as ASEAN in Southeast Asia, but not to great effect, but there is some material there. And I think there are two reasons, both in terms of our own problem here and in terms of other foreign policy issues, like human rights, democracy, economic stability, that we are going to have to have an international component. The question is how

much you put into it.

Let me just say one thing. There is somewhat of a confusion between what is often called "interdiction" and what is called "international policy," so I had my staff-and you know it is very difficult try, to get a cross-agency budgetary analysis. I had them look at the foreign component, which in 1992, was about \$2 billion. In fact, in 1992, it was \$2.6 billion. In that figure, in terms of assistance programs to overseas countries, helping them to do the job, building their institutions, we spent in IMM, AID and foreign military assistance programs, \$473 million.

In 1993, the projection is that we will spend about \$350 million. Part of that reduction comes from cuts in foreign assistance that we had to accomplish in the last Administration. So it has gone down. The big budget figures in interdiction are those things that our agencies carryout by law, that is, primarily the Customs and

the Coast Guard, which are involved in law enforcement.

You know, the Coast Guard spends almost as much money, as we provide in foreign assistance, to accomplish its very important task. The Customs are the same, they are both around \$500 million.

I think there is as mistaken impression that we are providing \$2 billion to \$3 billion to foreign countries to do this, I want to correct that. That figure of \$2.6 billion, is everything that is spent on the borders and outside the boarders in terms of U.S. activity. But it includes a significant amount of operating money, Defense Department ships that are charged to the drug budget, radars or AWACS that detect and monitor. It is a complex account. That is not just foreign assistance.

Mr. GILMAN. A good chunk of it is spent by our own forces.

Mr. LEVITSKY. Yes. Well, over half.

Mr. GILMAN. OK.

Mr. Coleman, do you have anything to say about that mix of domestic and international?

Mr. Coleman. Just to add to what Ambassador Levitsky said, Congressman Gilman, I have spent the last 28 years of my life as a Federal agent with DEA and its predecessor agencies, in domestic and overseas assignments. The Ambassador used the word a few moments ago, which I think is applicable in this situation, and that is "intractable."

The drug problem is and has been intractable. I think if we are going to make progress, we are going to have to make some calculated risks occasionally on some of these programs, not unnecessary gambles but calculated risks. He had indicated guesses, really, on how to handle these things, and that means there will be some times when some of these programs will be less successful than others.

Hopefully, through this process we will find the right mix of programs that do work. And when we find those programs, we can perhaps duplicate them and encourage the development of those programs.

Mr. GILMAN. I don't want to exceed my time, but, Mr. Chairman,

I would like to ask another question, with your permission?

PROPOSED REORGANIZATION OF THE DEPARTMENT OF STATE

The current State Department reorganization plan called for combining narcotics with terrorism and crime all into one department. Is this another musical chairs, or is this going to accomplish something? Is it going to detract from the concentrated effort that we gave to our drug problems?

Mr. LEVITSKY. Well, I don't think that it will detract. I think, in a way, handling those problems together will help focus the effort. But Congressman, I have learned over the years it is not the

But Congressman, I have learned over the years it is not the boxes, it is who in them that counts, and I think—well, I can't, obviously, I am not going to make an announcement or anything like that. The people that I am hearing that are going to be chosen for these jobs are certainly extremely good people and who will put out a major effort on all those issues.

I tell you this crime issue is something we all ought to take a look at in terms of what the effect is internationally, not just of narcotics crime, but of crime in general. In some ways, you can con-

sider it to be the moral equivalent of the old Soviet threat.

Look at how many governments now around the world are being threatened by criminals, not just in those countries of the former Soviet Union where you read these stories about mafia and burglars, reminiscent, in some cases, you know, of the chaos that pervaded some of these societies in the Middle Ages, but all over the world. Criminals trying to influence legislators to get legislation passed to benefit them. Trying to undermine the police or threatening them into submission. And I think this is part of a cross-cutting issue between narcotics and terrorism. Because it has to do with both, it is something that bridges the gap and will bring a focus to it.

My prediction is that 4 years from now, and during that 4-year period, you will see increasing attention to this general problem of international crime because it is so pervasive and it so undermines the other purposes that we have in the world today.

Mr. GILMAN. Mr. Coleman, you want to comment on this reorga-

nization?

Mr. COLEMAN. No. sir.

Thank you.

Mr. LEVITSKY. He doesn't want to interfere in our internal affairs at the State Department.

Mr. GILMAN. We have a few more questions, but I will pass it over to our chairman.

Thank you, Mr. Chairman.

SHAPING U.S. DRUG POLICY

Mr. LANTOS. I am always concerned when I am confronted with intractable problems. And both of you have used the adjective, and I would like to explore that a bit. You have devoted 28 years to this work, Mr. Coleman, with great distinction. And you, Mr. Ambassador, have now headed up this operation at the State Department for 4 years.

Let me get to specific questions, if you had been appointed Drug Czar, what strategic changes in drug policy would you recommend?

Mr. COLEMAN. Well, it is a speculative question, Mr. Chairman,

Mr. Lantos. But it is a serious question. Because we are spending an enormous amount of money, to a very large extent, despite victories here and there, unsuccessfully. I mean, the problem is here. It is growing in many ways.

It is tearing apart the very fabric of our society, and I find it in-

comprehensible that we can't get on top of it.

You have given much of a professional lifetime to this, so my question is a very serious and sincere question.

Mr. COLEMAN. I understand that, Mr. Chairman, and I will try

to respond in kind.

At the risk of sounding somewhat patronizing to the current Administration, I would say that I think it is doing the exact right thing and that is conducting a policy review. I think it is time to review all the existing policies and to reevaluate some of those policies, particularly the ones that have had some success and again to discard the policies perhaps that have not had success, to reevaluate, put everything on the table. Take a look at every single aspect of the individual agency policies that we have, take a look at consolidating some issues that perhaps may be able to be consolidated in terms of saving resources or increasing the focus of those resources that seem to be more effective in certain areas.

I think that there is a major role to be played, not only in curtailing the physical production and distribution of drugs abroad, but in providing the moral leadership of the United States to those nations that are weakened and perhaps instable because of the presence of what Ambassador Levitsky has described before, as these

criminal groups that tend to influence their governments.

Several weeks ago, we met with a number of delegations in Argentina of high-ranking police officials at the International Drug Enforcement Conference. And we were told by the Colombian police officials who were present, that a number of official and unofficial systems of infrastructure in the country of Colombia are being infiltrated by these criminal groups. Trade union groups, political parties, et cetera, are being infiltrated by these cartels, in an effort to promote their particular brand of influence, to obtain appropriately easier policies and more conducive environments within Colombia

to foster their trafficking operations.

We find when we talk to the neighboring countries of Bolivia, Peru, Venezuela, they are seriously concerned, too, that their countries are likewise being weakened to some extent by the presence of these narcoterrorists, as they call them. Overall, I think there is a major role for the United States to play in the moral leadership of not just the Western Hemisphere, but the world. And I think that, plus the physical aspects of controlling the production and distribution of drugs and the investigative process of tracking down these major criminals, these kingpins, as I discussed in my statement, and prosecuting them, no matter where they are, in our country, as well as overseas, if possible, providing the evidence to these foreign governments under their systems, if necessary, to prosecute these people.

I think also the presence and encouragement of the United Nations to get into this effort is important. The 1988 Convention by the United Nations, which many countries have signed onto, and which called for a number of very important tools to combat drug trafficking, particularly the ease on extradition requirements, also the exchange of financial investigatory data among different countries, and perhaps just as importantly, the agreement and permission to conduct what we call "controlled deliveries," where deliveries of drugs under controlled circumstances are allowed to pass through second and third nations en route to the destinations so the that the authorities in both the country of origin and country of receipt can take the appropriate action against the individuals responsible, rather than some in-between intermediate area country interrupting the shipment and causing very little effect in terms of prosecution or bringing down the organizations.

So I think in terms of encouraging the development of these types of international accords, we can have some positive effect on bringing down the overall threat of drugs, not to mention just the drugs themselves, but the effects that we have referred to before

in terms of the political and social effects.

Mr. Lantos. Ambassador Levitsky.

Mr. LEVITSKY. Well, having been around government for 30 years, or so, it always seems to me we deal with the current crisis. It is very hard in our system, I think, to look ahead and avoid a

problem.

I think we had a wake-up call in the early 1980's, things like the death of Lenny Bias, the Maryland basketball star, from crack cocaine, and the crisis of crack cocaine that seemed to take us by surprise, woke us up and gave rise to such things as the "Just Say No" campaign. During the election of 1988, this was the issue that was identified as the single highest concern of the American people, and we forget that.

But we seem to deal with the current crisis sometimes, so I suppose what I think we ought to do and what I hope we will do, is sustain something over a period of time and have some patience with it. When I said "intractable" problem, I didn't mean it was insoluble. But it is the kind of problem that deals, in many ways, with a crisis of the spirit. It also has to do with more mundane

things like criminals and money.

I think of the two Clint Eastwood movies when I think of this problem: The Good, The Bad, and The Ugly and A Fistful of Dollars. I think we have to sustain interest in this issue, otherwise it will come back an bite us. And if we stop drugs from the outside, we certainly can produce enough synthetic drugs in the United States, if we don't do the kind of things at home that need to be done.

We need to keep up the education programs and the prevention programs. Certainly we need to provide treatment and we need to

recognize the connection.

The other thing I would say, Mr. Chairman, is I think this issue got politicized too much, just speaking as a humble bureaucrat. In the time I have been in it, a lot of people understood it was a major issue for the country, that things were happening in the inner cities that shouldn't be happening. The violence was coming, a lot of it due to drugs.

When we began to see the margins come down, that is the casual users drop, and I watched this over 4 years. The number of casual users, the number of middle-class users came down, you began to see the percentages in the polls go down in terms of what the con-

cern was.

I don't know what that says in terms of our system. We still have a tremendous problem and there certainly don't seem to be as many people engrossed in using drugs. But the problem is still there. This is, I think, a job as much for the Congress as it is for the Administration. Sustain the interest in it, keep it going and, obviously, as we go through a review, try to find out how you can best spend your money, but try to sustain the interest.

Keep it as much as you can, I would suggest, as a bipartisan issue, because both parties are obviously trying to solve it. Keep it out of the realm of politics as much as possible, and let the agencies and the professionals in DEA and in Health and Human Serv-

ices do the job, try to fund them. That is oversimplistic.

On the other hand, I can't think of anything better you could do then to provide what is necessary across the board in law enforcement, supply, reduction and demand reduction. Mr. LANTOS. Before I ask the next question, let me thank our professional staff members, Beth Ford and Maryanne Murray, and the good Republican Minority Staff for preparing this hearing.

They have done an outstanding job.

You know, the first newsletter I sent out after I was elected 13 years ago dealt with drugs. I still have copies of it with all the flows geographically. I remember 13 years, ago we talked about five different areas of activity: eradication, interdiction, rehabilitation, education and punishment or sanctions.

I don't know whether the current jargon still talks about these five categories, but they are as good as any other five that we could find. If you were to rate on a scale of 10 these 5 areas, looking back over your career, Mr. Coleman, how well have we done in the field

of eradication?

ASSESSING ERADICATION PROGRAMS

Mr. COLEMAN. Well, first of all, I would like to say eradication is really primarily the role of the State Department and the Bureau for International Narcotics Matters.

Mr. LANTOS. I am going to ask Ambassador Levitsky also, but

you have a judgment on it.

Mr. Coleman. DEA does have eradication programs domestically for marijuana because we cultivate a good portion of our own marijuana needs. I would say that the issue of eradication is a puzzling one. Because on the one hand, we have enormous production levels around the world, whether we are talking cocaine or opium, and the eradication efforts that are sponsored by the United States are somewhat minuscule in comparison to the overall production levels. But I think again going back to what I said earlier, it sends a signal. It is a message.

It is the United States' moral leadership that says we need to do something in this area and that we just cannot simply control one end of the spectrum and ignore the other end of it. I think if nothing else, just symbolically we need to make an effort to stem the

cultivation of these products.

Similarly, I think everyone would agree that we need to have the necessary programs for alternate economic concerns by the people who are cultivating these products. And so I think overall, while the program may be disappointing to some in terms of the actual numbers, I think those people who would be disappointed by such

results are perhaps expecting too much in the first place.

I think it is not realistic to think that any country, any force or any amount of resources could literally eradicate all the drug production in the world. I think it is a first step. It is one of several modalities of strategy and progress that has to be made. I think it does send a very important message, particularly in those very underdeveloped areas of the world where if there is no message like that sent, there is no message at all.

Mr. Lantos. Ambassador Levitsky?

Mr. Levitsky. Well, we haven't really put a lot of money in the last 4 years to ward straight eradication. Partially because we recognize when you are talking about the big crops like Peru, you have a huge problem. People who fly over the Huallaga Valley call it the "Oh, expletive deleted" tour, because as they fly over it, they

see the nature of the problem. Forests chopped down, coca planted in its place. Not in agricultural areas but along the hills where a

The problem you have got is an area there that for a long period of time was controlled by the Sendero Luminoso, The Shining Path. Neither President Garcia nor President Fujimori could say that they would eradicate the crops, let's say forcibly, of these 100,000 or 120,000 growers, because they were afraid that they would be forced into the arms of the terrorists. And then there would be a stronger connection between the terrorists, which was a small band, and a larger band of people, and they would have one huge mess on their hands, even worse than they had. So we came up with the idea of trying to provide some of this Andean strategy money, which was supposed to peak last year and the year before, at about \$250 million a year. A hundred million dollars or so for Peru, designed to work with law enforcement to attract growers to legal activity.

The problem was political turmoil in Peru. Last year's mini-coup, or Fuji-coup, or Presidential-coup, as they call it, and because of human rights violations in Peru, support for that program really couldn't be accomplished. Nor was there governmental control within that growing area, so there wasn't really any way you could

eradicate coca.

President Fujimori didn't want to do it, and there was no way we could force that kind of program on him. We concentrated on trying to break the links between the growers and the trafficking organizations, to affect them so almost by the nature of the price of the crop, the growers could be at attracted into alternative development programs. Frankly, it hasn't worked very well.

Mr. LANTOS. Let me just pursue that a bit. Given the Colombian

success in securing support for aerial eradication-

Mr. LEVITSKY. In opium, not for coca, and there is a difference. Mr. LANTOS. Yes. And the recent Panamanian aerial eradication of coca. Has any thought been given by the Administration again or the previous Administration to raising the issue of aerial eradication of coca with the Peruvians and the Bolivians?

Mr. LEVITSKY, I think that is still an option, Mr. Chairman. We

have raised it a number of times.

Let me point out that the spraying that was just accomplished in Panama at the request of the Panamanian Government, it succeeded in wiping out a small amount of coca cultivation. This was the first time that a program like that had been undertaken.

In Colombia, the Colombians came to us for help when they began to find opium and we had a herbicide called gyphosate which had been used in the past to eradicate opium poppies. They have wiped out a significant portion in an environmentally safe way.

Peru is much different and both the Colombian and Panamanian situations are rather insignificant. Colombia coca is very low in alkaloids. It doesn't provide much in the way of raw product for the

Colombian cocaine industry.

They need to get it out of Peru. Peru is still the heart. It is like Vince Lombardi used to say when he was asked "What were the most difficult things about football?" He said, "The knees. It's always the knees." And in this case, it is always Peru.

Getting to the heart of that is what the difficulty is. In Bolivia, which is a significant part of the problem, perhaps 25 percent overall—we have a pretty good situation. There is a program for voluntary eradication, based on the provision of alternative development programs as well, so that the growers have something to go to. However, they don't have an insurgency there and that is a big difference from Peru.

I won't say aerial spraying is not an option. My guess is, to be quite frank, if you presented that to President Fujimori, with all of his other problems, he would not find it acceptable. That doesn't mean we can't come up with some ways of doing it, but I don't see

that in the cards quite, frankly.

Mr. GILMAN. Would the gentleman yield? Mr. Lantos. I would be happy to yield.

SITUATION IN PERU

Mr. GILMAN. Mr. Ambassador, we met earlier today with some of the Peruvian leaders and they tell us the terrorist group has been hurt quite badly by some recent arrests of the leadership of the Sendro Luminoso group. Yet some of our people tell us out there in the hinterlands, they are still very active.

Over the years, we have tried to provide money to getting to the Upper Huallaga Valley and none of that has been successful. Now before us is a proposal to try to provide funds for the Santa Lucia Airport, over \$2 million to improve that airport. Have we made any

progress at all?

Here is the largest coca producing area in the world, and all the years we have been trying to provide funds and cooperative efforts, nothing seems to be successful.

Mr. LEVITSKY. Well, I think again the estimates we have in this

book, I would ask you to take as a grain of salt, as always.

Mr. GILMAN. We do. Mr. LANTOS. We do.

Mr. Levitsky. I tell you, Mr. Chairman, when I confronted this issue, first off, I said how do we know that? Because we would use a figure like 211,761.5 hectares devoted to it.

I said how do we know that? I took it out of our hands and put it in the hands of experts, and they come up with some technical

conclusions, but you can't really tell what the production is.

What has happened in Peru is that as a result of the Santa Lucia base that we have been financing, production has been moved away from the base. It has made the job harder, in many ways, but it accomplished, in many ways, its purpose as well.

People have moved away from the range of helicopters that we

provided.

In terms of significant accomplishments at that base: One, we have Peruvianized the effort. Remember in the early days, it was American pilots out there flying these helicopters around. American mechanics fiving them

ican mechanics fixing them.

They are all now Peruvian pilots. Remember, the committee said we should do this, and we have done it. We are trying to Peruvianize the effort to maintain the aircraft as well, but since they are our aircraft and by law we must retain title, you can't turn this over until you are absolutely sure.

There have been good operations with the DEA. The Peruvian military, which does not have a very good name here, has participated, especially the Air Force, in air operations that have resulted in the forcing down of drug trafficking aircraft. Now can I tell you, this has stopped a large amount of coca flowing to Colombia where it is produced? No. But the point is, we have efforts that have been successful in terms of building Peruvian institutions.

Now we have got a problem in Peru because we have got a political problem with President Fujimori, in terms of what he did a year ago in April. In his move toward a democratic system, he isn't

there yet.

In many ways, what he said he wanted to do were laudable aims. He wanted to democratize the system. He hasn't gotten there yet,

so we have a bit of a problem in engaging with them again.

If you look at how much money has been dispersed within that program, last year, we basically came to a standstill. For reasons broader than drugs, but for human rights and other considerations.

So one of the things is to see if we can look back and engage in

a productive way, that will have a greater effect.

Mr. GILMAN. May I interrupt a moment, Mr. Ambassador?

The Peruvian people would like us to release money we have been holding because of their failure in human rights and other things. Do you recommend the release of those funds at this time?

Mr. LEVITSKY. Well, I have——— Mr. GILMAN. It is \$150 million.

Mr. LEVITSKY. I have mixed feelings about that. I used to be a Deputy in the Human Rights Bureau, so I am mindful of the kind of major atrocities that have been committed by some of the armed forces. Not, I think, as a matter of government policy, but because of lack of control and a general breakdown, in some respects.

So I do think we have to take the human rights issue very seriously there. And the reason we have held up the money, quite frankly, is not because of narcotics, because they have done a somewhat better job this year in terms of their own effort, but for over-

all reasons and on human rights grounds.

I think we won't—let me put it this way: I don't think we would have the support of the Congress or the American people, if we didn't pursue both agendas, that is human rights and narcotics.

If I made myself narrow and say I am just interested in drugs, I would say, yes, turn the money over. But I am not sure that it would work. And we should pursue this broader effort to try to bring them on board wholly, and that is on human rights and other issues.

OPERATION SUPPORT JUSTICE

Mr. GILMAN. Our time has been running out for a second bell. I will not be able to return because I have another commitment. But, Mr. Ambassador, Operation Support Justice in Peru, has been ongoing in various iterations for almost 2 years. The DOD detection and monitoring effort has apparently produced little in the way of tangible results on the interdiction side.

The current iteration of Support Justice, which is costing about

\$3 million a month, is scheduled to end this week.

What is your assessment? Do you recommend it be continued?

Mr. LEVITSKY. We are discussing that right now. My sense is that it is mostly a Colombia operation, most of the money goes into

Colombia. The Colombian Air Force is equipped to do it.

There is a radar, as you know, in Peru, that costs a certain amount of money. But the main effort has been focused on Colombia and that is where the bang for the buck is, they have a

Mr. GILMAN. It is worthwhile to continue?

Mr. LEVITSKY. I think it has been a worthwhile program. You will have to weigh the results.

Mr. GILMAN. One other quick question-NAFTA. Should we be making a condition in NAFTA that Mexico do more in terms of

drugs?

Mr. LEVITSKY. My sense is we don't need to make drugs a condition because Mexico has made the effort already and proven it over the last 4 years. I think NAFTA works the other way. I think my sense, quite frankly, is that if NAFTA goes down the drain, we had better watch out for our narcotic interests, because it could have a great effect on a variety of things across the board and one could be the drug program.

Mr. LANTOS. The subcommittee will be in recess for 10 minutes

because we have a vote.

Mr. GILMAN. I thank you, Mr. Chairman.

For the record, I would like to wish our Ambassador good luck in his new endeavors.

Mr. LEVITSKY. Thank you. I appreciate it.

Mr. LANTOS. The subcommittee will resume.

We would like to keep you both here for a long time, but Secretary Christopher will brief us shortly, so I just have a few questions I would like to raise.

What countries would you consider to be the most serious prob-

lems from our point of view, Mr. Ambassador?

Mr. LEVITSKY. Well, just in terms of where drugs are produced and where they are trafficked from, certainly the Andean countries.

Mr. LANTOS. Minimal cooperation?

Mr. LEVITSKY. Well, in the three Andean countries, we have, I would say, strong cooperation in all three cases within the relative abilities of the countries to do things. Good relations with the countries, at least a similar point of view on what needs to be done.

Where we have our problems, I would say, are in, and I am not just talking about cocaine, but drugs in general, we have had problems in Nigeria, in terms of the government taking this very serious problem of major trafficking organizations, taking it seriously. We have had some problems with Pakistan.

SITUATION IN PAKISTAN

Mr. Lantos. Pakistan-

Mr. LEVITSKY. Mainly a result of the political situation. We have a good relationship with the Government of Pakistan, the trouble is, it seems to change every time we seem to be ready to get going on something.

Mr. Lantos. Well, Pakistan, according to a study commissioned by the CIA, is a country where the heroin trade has penetrated the

highest political circles, and is becoming the life blood of the economy and government. You know the article I am referring to in Newsday, and you know the report.

Mr. LEVITSKY. I would like to comment on that. Mr. LANTOS. I would be grateful for your comment.

Mr. LEVITSKY. In the first place, in fact it was interesting that article came out before I was scheduled to meet with a Pakistani delegation, so I obviously had an interest to learn what it was all about. It turned out this was not a CIA report, but rather a report commissioned by the agency for what is more of an academic conference, an open conference, and it was the author's personal opinion.

Now, in reading the report and there have been some articles recently, too, Mr. Chairman, about Pakistan and the effects of drug money, the effects of corruption on the system, I think it is a very serious problem. We know that Pakistan, particularly in its north-

ern territories, has very little control over what goes on.

It is a replant of the old British system, where political emissaries were sent in to deal with the tribesmen. But as a result, some people have gotten very rich in Pakistan and have bought themselves legislators, in some cases, along with all the luxuries of life. The Pakistani Government as a government certainly doesn't want that to happen.

The problem has been some political instability. A lack of national strategy. A lack of prioritizing this issue within their own system. At the same time, I have to say that in terms of cooperation, for example, with law enforcement, they have been quite good.

They have extradited people that we have asked for to the United States. They have provided lead information, as I understand it,

to the DEA. So you have a very mixed record.

I remember before I was even confirmed for this position, signing an agreement—at that time, Prime Minister Bhutto was coming to the United States—not signing it, but watching the signing. The agreement focused on setting up an elite narcotics force, that we would train and equip and help them fight drug trafficking.

It has never gotten off the ground because the government's focus kept changing. So it is rather frustrating. And still there is

a good deal of goodwill there.

They have a tremendous problem with drug abuse now. They have a million and a half addicts at least, and perhaps more by their own count in Pakistan, which causes a tremendous drain on their economy and on their society.

So it is a frustrating kind of problem. And while there are good people that we have working there and a level of cooperation that would allow us to continue the cooperation, I would say it has not

been a tremendously successful relationship in that regard.

Mr. Lantos. Let me read a quote to you from the former Chief Counsel for the Senate Narcotics and Terrorism Subcommittee who testified, as you know, on Pakistan and scandal-ridden BCCI. And this is what he said. He feels that at the core of Pakistan narcotics problem is corruption and I quote: "The most important single problem is government corruption. And from the accounts I have gotten from Pakistanis, the corruption is both in the civilian gov-

ernment and in the military. And it is persuasive. It goes right to the top." End quote.

What is your reaction or Mr. Coleman's reaction?

Mr. LEVITSKY. I don't think either of us would go along with that in terms of, particularly the last quote, going right to the top.

Mr. LANTOS. It doesn't go to the top?

Mr. LEVITSKY. No, no, I am saying we can't say, based on evidence, that is the case. But in terms of the issue of corruption, and I found throughout the world, wherever you have drugs in a major way, you have corruption because money is what buys influence, and so it is a problem there. There is no doubt about it.

What I am saying is at the same time, Pakistani authorities that we have worked with, have accomplished some very good operations and arrested people. Now, you need the whole system put together. We have seen, for example, last year, they arrested two major traffickers, that is outlined in our report. Two quite major

traffickers.

One of them was convicted and is serving time. The other one was released. Reports are that was due to bribery and corruption. But it is the kind of thing that you can't pinpoint and take to a courtroom and say we are absolutely confident that this is the reason why this man was released.

Mr. LANTOS. Does DEA have any evidence on Pakistani Govern-

ment officials, or are you targeting any?

Mr. COLEMAN. Well, I wouldn't say we are targeting any, but basically what has already been said, I think I would agree with. The issue here is money and lots of it. And as it flows into Pakistan, it is a corrupting influence, as it is in so many other countries of the world.

The drugs that are produced in Pakistan, the heroin and opiate drugs that are produced in Pakistan, originate in the Northwest Frontier Province areas controlled by tribal groups, as opposed to central government. It is very difficult to get law enforcement activities started in those areas.

Now, from time to time, the Pakistani authorities do make some very significant seizures, large seizures of drugs and chemicals entering the ports, and so forth, but in almost all instances, we rarely hear of people being arrested. And if people are arrested, we rarely hear of these people being tried, convicted and sent to prison.

So effectively, if you have no sanction for these crimes, you effectively have little other reason to dissuade people from engaging in

these types of activities.

Likewise, the Pakistani banking systems are woefully inadequate in terms of controlling international exchange and funding, and consequently, it makes an attractive environment for drug traffickers in that part of the world to use to facilitate the transfer of their funds in and out of the country and for investment purposes.

And lastly, I think the phenomenon that we touched upon earlier with Nigeria and West African traffickers bringing heroin into the United States. That heroin is obtained in places like Pakistan and Thailand, to some extent. If these people weren't able to get the drugs out of those countries, they obviously would not be able to get the drugs into ours.

So despite the entreaties we make to increase the activity in Pakistan to curtail these exports, illegal exports of heroin via West Africans, they are not successful, and consequently, we are less successful in our attempts to stop it.

Mr. LEVITSKY. May I just add a comment?

Mr. Lantos. Yes.

Mr. LEVITSKY. I have been up in the area where they have the problems a couple of times now, and I must say, in many respects, it is not a part of Pakistan. These are the—

Mr. Lantos. These are tribal areas?

Mr. LEVITSKY. These are the same people that fought off the very powerful Soviet Army. The same kind of tribesmen. The border area which is composed of a lot of refugees, people going back and forth, is a very difficult area. So even with the very strongest of programs, they would have, the Pakistani Government would have a difficult time. I just want to point that out.

The other part of this is that most of the crops that are grown, that provide the opium and heroin, grow in Afghanistan, which has no control on at all. So it is a difficult situation for the Pakistani authorities. They have cooperated with us in crop control and have

succeeded in bringing their own production down.

It is a mixed picture, Mr. Chairman. It is very difficult.

ASSESSING SYRIAN ANTI-DRUG RESOLVE

Mr. Lantos. How about Syria?

Mr. LEVITSKY. Well, the Syrian problem and the problem we have with Syria and the control of Bekaa Valley in Lebanon, not so much of what is going on internal in Syria.

Mr. Lantos. De facto, the Bekaa Valley is under complete Syrian

control?

Mr. LEVITSKY. De facto, yes. But it is in another—well, what I am saying is the fact that they control it militarily. And there are very credible reports that Syrian military officers in the Bekaa Valley, not only condone the trafficking of drugs, but sometimes participate and enrich themselves from it. This is why we have not certified Syria and why we provided Lebanon with a national interest waiver, on the basis that it doesn't control that area even though it is part of Lebanon. It is a serious problem.

We have talked with the Syrians quite often about this, at quite high levels. And there has been some movement which we are watching in terms of eradication in the Bekaa Valley. Is it serious or is it only for show? We have yet to make that determination.

We know that drugs are being trafficked. In fact, Mr. Chairman, an ominous thing is we have cocaine base coming out of Colombia going to the Bekaa Valley, being refined into cocaine and then being sent out of Lebanon.

Mr. Lantos. Is it possible Assad does not control these military

officers who are trafficking in drugs?

Mr. LEVITSKY. Well, I don't know if I can provide an answer to that.

Mr. LANTOS. But it is not an irrational question?

Mr. LEVITSKY. No. Absolutely not.

Mr. Lantos. It is a dictatorship, with a very tight control. And since the evidence has been there for years that high ranking Syr-

ian officers are trafficking in drugs, one would think that the Syrian dictator would have some control over it or would condone it.

Mr. LEVITSKY. Well, it is a rational question, certainly. I can't make an assessment based on the information we have to answer that.

Mr. Lantos. Mr. Coleman, you can't comment?

Mr. COLEMAN. No. sir.

Mr. LANTOS. Can you get back to the subcommittee in writing on that?

Mr. LEVITSKY. We will give you an answer in writing, certainly. The information follows:

President Assad is commander-in-chief of Syria's armed forces, and therefore com-

mands the Syrian military stationed in the Biqá Valley.

In the past, we have received credible reports of involvement by some senior military officials in the drug trade. Despite reports of poppy and cannabis eradication by Syrian forces working with the Lebanese in the Biqá Valley in 1992, heroin processing and trafficking there continued.

Syria was not certified as cooperating with the United States in narcotics matters, in part because it did little to meet our concerns about the involvement of its offi-

cials in facilitating the Lebanese drug trade.

OVERVIEW OF CHINA

Mr. Lantos. How about China?

Mr. LEVITSKY. Well, China is another area where I have visited not too long ago, and particularly along the Burma border. Don't I get to go to the nicest places, by the way?

Mr. LANTOS. You love it. You love every moment of it. I know

vou.

Mr. LEVITSKY. But I must say the Chinese have had their experience with opium. After all, after the war it took over.

Mr. Lantos. I have a faint recollection, yes.

Mr. LEVITSKY. They killed and executed a lot of people and solved their drug problem for a number of years. They still have the death sentence and they continue to execute traffickers in southern China.

You can see the pictures up on the walls of these executions. They have a serious problem. They have a serious effort. But interestingly enough, what is happening in China in some of these enterprise areas, through their promotion of economic and trade along the border, is they are exacerbating the drug problem. As the border opens up, then more drugs flow across it. What we have seen in the last few years is not a monolithic China as a barrier against Burmese heroin, but rather that area opening up as an important route for drugs coming out, going, in many cases, to Hong Kong and to the United States.

CONTROLLING PRECURSOR CHEMICALS

Mr. Lantos. Now, as far as chemicals-

Mr. LEVITSKY. But their effort is strong they just—it hasn't been up to the task so far.

Mr. Lantos. Chemicals are an important part of this equation.

Mr. LEVITSKY. Yes.

Mr. Lantos. What is Germany's performance in the chemical field?

Mr. LEVITSKY. We have been talking with the Germans. Our own laws became stronger and we got control over our chemical industry-because sadly, we were producing about 70 percent of the chemicals that went into the cocaine that came back at us, back in the-in the early 1980's.

Mr. LANTOS. You are satisfied that problem is behind us?

Mr. LEVITSKY. Well, no.

Mr. Lantos. Is that a domestic problem?

Mr. Coleman?

Mr. COLEMAN. We won't be satisfied until it is 100 percent.

Mr. Lantos. How close are you?

Mr. COLEMAN. Seventy percent I think. We are probably controlling 70 percent of what is getting out now.

Mr. Lantos. Are the legal penalties sufficient?
Mr. COLEMAN. Yes, sir. I think the compliance by the industry has been remarkable, as well. I think we have shown that we were able to keep the proprietary corporate information confidential and we are also able to show that we don't interfere with legitimate shipments, those were their main concerns.

Mr. Lantos. Now, why isn't Germany doing well?

Mr. LEVITSKY. They have not had the legal regime. There was just passed within the E.C. an E.C.-wide regulation which would cause greater controls and implementing legislation has to be proposed. But the part of the problem in Germany is not German companies exporting directly to, let's say, a Colombian shadow firm that uses it, but because of the nature of the way the chemical industry is organized in Europe, brokers after brokers, middlemen and cutouts, and that is what they probably have to get a handle on, control and use. In other words, to make sure that the chemical manufacturers know who the end user is, and that is what they don't have yet.

This is a very small part, by the way, of the chemical industry. If you knocked out whatever proportion it is, it is probably only a

hair in terms of what the total chemical industry is.

Mr. LANTOS, Of course.

Mr. LEVITSKY. We are talking to them. We are confident we will get a stronger performance, but we still have a ways to go, I think. Mr. LANTOS. I want to thank both of you for extremely valuable

testimony.

May I just say that as the new chairman of a new subcommittee. which has this responsibility, we will place a great deal of emphasis on this subject. I look forward to working with both of you and look forward to working with both of your agencies. You have been invaluable to our work.

I, too, want to wish you the very best of luck, wherever you may

be moving on, Mr. Ambassador.

Mr. LEVITSKY. Thank you, sir.

Mr. Lantos. This hearing is adjourned.

[Whereupon, at 3:47 p.m., the subcommittee was adjourned to reconvene at the call of the chair.



APPENDIX

STATEMENT OF ASSISTANT SECRETARY OF STATE
FOR INTERNATIONAL NARCOTICS MATTERS
MELVYN LEVITSKY
BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS,
and HUMAN RIGHTS
HOUSE FOREIGN AFFAIRS COMMITTEE
May 11, 1993

Mr. Chairman and Members of the Committee,

I appreciate this opportunity to discuss the status of our efforts to combat the international narcotics trade and the threat that it poses to the national security of our friends and allies. I am providing this testimony as part of the annual process in which the State Department submits its International Narcotics Control Strategy Report (INCSR) to Congress. This report forms the basis for the President's decision on whether to certify 27 major drug producing or transit countries as having fully cooperated with the United States—or taken adequate steps on their own—to achieve full compliance with the goals and objectives established by the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Denial of certification means that most forms of U.S. assistance to the country concerned may not be provided and that U.S. representatives are required to vote against that country's loan applications in multilateral development banks. The President denied certification to three countries: Burma, Iran and Syria. The President did not certify but granted national interest waivers to two countries: Afghanistan and Lebanon. The President certified 22 countries: The Bahamas, Belize, Bolivia, Brazil, China, Colombia, Ecuador, Guatemala, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru, Thailand, and Venezuela.

I come before you at a moment when our international narcotics control effort is under review. The Administration is looking at the range and mix of counternarcotics options, as part of its comprehensive, Government-wide assessment of antidrug programs and policies. We are taking a hard look at ourselves and our programs, at what has worked and what has not worked, all with an eye toward achieving the best possible use of our resources and return on our investment in what will likely continue to be tough budget times.

This review is taking place within the context of the U.S. effort to promote two broad goals. Our first goal is to support the domestic objective of reducing drug abuse and drug-related crime in the U.S. by promoting and assisting efforts by other countries and multilateral institutions to stem drug production, trafficking and abuse worldwide. The second goal is to support our important foreign policy priorities in promoting democracy, respect for human rights, sustainable economic growth and environmental protection. This goal recognizes that drug production and trafficking weaken democratic systems and free market economies, because traffickers attempt to corrupt and threaten institutions such as the courts, the police, legislatures and financial systems, and because slash and burn drug cultivation and the indiscriminate use of chemicals bring about environmental degradation.

Let me cite two important recent statements which provide a policy framework for the current review of international counternarcotics strategy. In announcing the nomination of Lee Brown as Director of the Office of National Drug Control Policy, President Clinton said:

"We will continue to work with other nations who have shown the political will to fight illegal drugs. They will continue to get our full support and cooperation."

In remarks to the Council of the Americas on May 3, Deputy Secretary Wharton, speaking on behalf of Secretary Christopher, stated:

"We want to work with governments to strengthen key public institutions and the administration of justice. We want to share our experience to help democratic governments to fight corruption and other abuses of power. Corruption is a cancer that will destroy democracy—and investment opportunities—if it is not eradicated.

We will work in partnership with the governments of this region to fight narco-traffickers, whose corruption and violence threaten the survival of democratic institutions. We will work with the OAS to create a common legal framework for action. Let no one doubt our resolve to reduce drug consumption, to enforce our laws and to help our democratic neighbors defeat the drug traffickers."

with this background in mind, let me briefly review developments over the past year in the international counternarcotics field. For a more complete review, I refer you to the Executive Summary of the INCSR. As usual, the balance sheet contains good and bad news. On the positive side of the ledger, I would note the following:

- --With USG assistance, the overall Andean coca crop has been contained at about 210,000 hectares for the past three years. Previously it had been growing at approximately 10-20 percent per year.
- --The international community is making important progress in the control of the chemicals needed for drug refining. Recommendations by the 27-member Chemical Action Task Force are beginning to be implemented.
- --Over the last three years, narcotics money laundering has evolved into an important foreign policy and financial management priority in both small and large financial center countries. The Financial Action Task Force established by the G-7 Summit in 1989 has been influential and valuable in this regard.
- --As for demand reduction, in 1992, the USG funded more programs on training, public awareness, epidemiology, and education in Latin America, Southeast and Southwest Asia. INM programs trained 3,000 demand reduction experts worldwide.
- --Many countries now openly admit the dangers posed by narcotics trafficking and domestic consumption, and are actively combatting the problem as a matter of their own national interests.
- --The USG intensified its efforts to engage the entire UN system, particularly the specialized agencies, in drug control issues.
- --Seventy-two states have now ratified or acceded to the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.
- --Colombia continued to play a pivotal role against the drug trade throughout 1992, maintaining an active enforcement and crop control program, including the eradication of more than one-third of the opium poppy crop, more hectares (12,000) in the last year than any other government, ever.

- --The Government of Bolivia's coca cultivation showed a net decline in 1992 and is now at its lowest in five years.
- --Ecuador scored a major success in June 1992 by dismantling the Jorge Reyes Torres narcotics organization.
- --1992 witnessed precedent-setting regional cooperation in cross-border operations among the Andean countries.
- --Mexico seized 38.8 metric tons of cocaine during 1992 and 15 metric tons so far this year, including two multi-ton (5 and 7.2) seizures in April.
- --Mexico has also reduced domestic production of opium poppy and marijuana to the lowest levels in a decade, and has seized large amounts of marijuana and heroin.
- --Mexico dramatically increased its own counternarcotics burden by assuming full financial responsibility for previously U.S.-funded programs.
- -- Guatemala, with USG assistance, virtually eliminated a poppy crop in 1992 which a year earlier potentially could have yielded nearly 12 metric tons of opium/1 metric ton of heroin.
- --With USG assistance, the Government of Panama, in early 1993 (April 2-3), conducted the first ever aerial eradication of a coca crop in Central America, sending a strong message to other potential coca leaf farmers in the region.
- --In three different cases during December and January, Turkish police interdicted over eight metric tons of morphine base and heroin from Afghanistan and Pakistan, the largest amounts ever seized in the Mediterranean and on the Turkish/Georgian border. They did so with the assistance of technical equipment supplied by the INM Bureau.
- --Laos has reduced its potential opium production in each of the past three years, for a total reduction of 39 percent. This is a direct result of U.S. and UN programs.

- --Laos has formed a new, dedicated police counternarcotics unit which we are preparing to help equip and train. We plan to staff a Narcotics Assistant Section in our Embassy in Vientiane in the fall of this year.
- --Thailand has sustained an active opium poppy crop control program, with total cultivation declining by 50 percent since 1989, to a level insufficient for Thailand's own domestic consumption.
- --Thailand passed new conspiracy and asset forfeiture statutes and has taken its first steps to investigate and prosecute drug traffickers under these new laws.

Now, for the bad news:

- --Despite stepped-up programs, hundreds of tons of cocaine and heroin continued to flow to the United States and to Europe, while consumption has risen in Latin America.
- --In Europe and Central Asia, the break-up of the old Soviet empire opened new frontiers for entrepreneurial drug traffickers. Well-established as well as new criminal organizations from the Baltics to Tajikistan are cashing in on the heroin flowing abundantly from Southeast and Southwest Asia.
- --The illegal drug trafficking industry continues to be strong, ruthless, rich, and adaptable.
- --Major traffickers continue to exploit the weaknesses of governments beset by economic crises, political instability and social unrest.
- --Drug-financed corruption continues to be one of the greatest impediments to effective counternarcotics efforts in many parts of the world.

As the bad news items indicate, the international drug industry remains a formidable and dangerous challenge. The traffickers continue to probe for weaknesses, seek out new markets, and grab for increased political and economic influence through corruption and intimidation. We should not expect them to simply surrender to our pressure; they will have to be defeated.

The achievements, however, show that the prospects for our success are improving. The trend is toward more sophisticated and effective international counternarcotics actions. As is now occurring in Eastern Europe and Central Asia, more countries are signaling their commitment by requesting basic training in the areas of drug enforcement and prevention. Others are moving to disrupt the trade and cause financial and other hardships to the traffickers with more intensified operations to seize drugs, confiscate vehicles, and destroy labs. And as drug laws and counternarcotics institutions grow stronger, an expanding number of countries are focussing their efforts increasingly on dismantling the managerial and financial networks that run the trade and pose the most serious drug-related threats to their political, economic, and social interests.

This balance sheet shows that the task continues to be monumental. Progress has been made but much more needs to be done. Success in our international efforts will depend on strengthening international resolve and cooperation. It is clear that our primary job is here at home in working to reduce drug abuse and its widespread ill effects on our society. Our international counternarcotics efforts have the goal of making that job easier, as well as trying to ensure that other societies are not plagued by the same effects.

However we choose to structure our efforts, I am convinced that a strong international component is key to success. While the work will continue to be difficult, it will also continue to be necessary.

Statement

of

John J. Coleman

Assistant Administrator for Operations Drug Enforcement Administration United States Department of Justice

before the

Foreign Affairs Subcommittee on International Security, International Organizations and Human Rights U.S. House of Representatives

Concerning

U.S. International Narcotic Control Policies and Programs

Chairman Lantos and Members of House Foreign Affairs Subcommittee on

International Security, International Organizations and Human Rights: I appreciate this opportunity to appear before you today to discuss DEA's progress in international drug control efforts, and how these efforts impact on the drug problem domestically.

Challenges to Drug Enforcement Efforts

Cocaine is still our most serious drug problem. As you well know Mr. Chairman, cocaine trafficking to the United States is controlled by the Colombian cocaine cartels, who remain a constant threat despite the efforts of the Government of Colombia and the U.S. Government, including DEA. While the power of the Medellin cartel may have seriously waned with the disintegration of the Escobar organization, he is still not behind bars, and the Cali cartel remains a major force in the cocaine trade. Cocaine seizures during Fiscal Year 1992 demonstrate the magnitude of the problem. According to preliminary figures, almost 280 metric tons of cocaine were seized worldwide last year--37.5 metric tons of which were seized in Colombia alone. It is estimated that between 955 and 1,165 metric tons of cocaine may have been produced in 1992.

Another serious drug threat to the United States is heroin. In the last five years, opium production has doubled, principally in Southeast Asia, including a four-fold increase in Burma during the same time period. It is estimated that over 3,700 metric tons of opium were produced worldwide in 1992. The increase in production has led to increased availability of high-purity Southeast Asian heroin in major U.S. cities on the East Coast, primarily in New York City, which is the central hub for Southeast Asian heroin trafficking and distribution in the U.S. Moreover, the purity of both Southeast Asian heroin and Mexican heroin increased over the past year at the street level in the United States, indicating that availability of these types of heroin also increased. The heroin problem is further exacerbated by the emergence of Colombian traffickers in opium production and heroin trafficking.

The shipment of Southeast Asian heroin to the U.S. is controlled by major Southeast Asian trafficking organizations composed of ethnic Chinese and Sino-Thai criminals. The ethnic and clannish nature of these organizations makes penetration by law enforcement especially difficult. Another major concern are traffickers from Nigeria and Colombia who have joined the ranks of the traditional ethnic heroin trafficking organizations. These groups pose an increasing threat to the international community and make more heroin available in the U.S. than at any other time in the history of this country.

DEA's Kingpin Strategy

In recognition of the numerous challenges that lie ahead, DEA, with the support of other U.S. agencies, has devoted a significant share of resources to developing a strategy which more effectively targets the leaders of the drug trade. This strategy, which is known

as the Kingpin Strategy, is aimed specifically at attacking--and ultimately disrupting and dismantling--those organizations that produce, transport, and distribute the preponderance of illicit cocaine and other drugs to our nation's cities and towns.

As defined by DEA, a kingpin is a leader of an international drug trafficking organization, or part of a drug consortium in a source country, who is responsible for directing the financial operations and all phases of unlawful production, transportation, and distribution of bulk quantities of drugs. To be considered a kingpin, an individual must be so involved in directing an organization's drug operations that neutralizing the kingpin and his leadership would result in the collapse and destruction of the organization's infrastructure. This is most important to the ultimate success of addressing the drug problems in this country. By targeting the kingpin and dismantling the organization's infrastructure and exploiting their vulnerabilities in communications, transportation, precursor chemicals, and financial operations, we can significantly reduce the extent of drug trafficking operations in the United States, as well as have an impact on the availability of drugs in this country.

To develop the concept, the Kingpin Strategy identified the Targeted Kingpin Organizations--which we refer to as TKOs--involved primarily in cocaine trafficking. Because of the serious threat that heroin trafficking organizations now pose to this country, we have recently added heroin operations as well to the list of criminal enterprises designated as TKOs. Currently, there are a total of 10 TKOs, including 7 cocaine and 3 heroin operations.

Early results of the Kingpin Strategy have been encouraging. During the investigation of Cali kingpin Helmer Herrera, the New York DEA Joint Task Force focused on the cartel's primary vulnerability--its communications networks. It is absolutely essential that the Kingpin leadership in Medellin and Cali be able to communicate regularly with their financial, transportation and distribution networks in the United States. Recognizing this as a potential weakness, DEA, over a period of 18 months, conducted court-ordered wire intercepts on more than 100 telephone lines. The result was interception of 17,900 drug-related conversations, which provided valuable information on the operations of Herrera.

Realizing that his communication network had been compromised, Herrera shut down two operating cells in New York City and ordered the cell's members to return to Colombia. Before this exodus, DEA arrested over 100 people, including 45 cell employees, and seized over 2,700 kilograms of cocaine and more than \$20 million. Also seized were the computers, hard drives, and floppy disks used by the cell to monitor its activities. These protected and encrypted records indicated that a single New York City cell was responsible for amassing more than \$225 million in drug proceeds during a 24-month period from 1990 through 1991.

Following up on the success of the Herrera investigation, in April of 1992, DEA and other Federal and local law enforcement agencies successfully culminated a major

investigation into the Cali Cartel's operations in Miami. In this investigation, which utilized court ordered wire intercepts, 10 suspects were arrested, including Harold Ackerman who managed operations in Miami for Miguel Rodriguez Orejuela. These arrests resulted in the dismantling of a major cocaine wholesale distribution cell in Miami, and confirmed direct links to Cali cartel kingpins in Colombia.

As an example of the effectiveness and potential of DEA's TKO program, in July 1992, working under the auspices of the TKO investigating the Rodriguez-Orejuela organization, DEA was responsible for a major cocaine seizure in Central America. In coordination with Panamanian law enforcement officials, DEA Special Agents assisted with the interception a shipment of tiles leaving Panama, via the free trade zone, by ship en route to Baltimore, Maryland. Upon further investigation, Panamanian authorities discovered and subsequently seized over 5,200 kilograms of cocaine which was hidden in compartments inside the boxes of tiles. This seizure--one of the largest cocaine seizures recorded during 1992--was the result of months of intense investigation.

As I mentioned earlier Mr. Chairman, DEA has also established three TKOs to attack the organizations that are involved in the growing heroin trade which is threatening this country. These TKOs include an international poly-drug smuggling organization that operates out of Marbella, Spain, and traffics in multi-kilogram quantities of heroin from the Middle East to Europe and the United States and multi-ton quantities of hashish from the Middle East to Europe. The second TKO is based in Burma against an organization that is described as the largest heroin supplier in the world, responsible for all phases of the production and movement of thousands of kilograms of heroin from the Golden Triangle to international markets. DEA's third heroin TKO is aimed at a Pakistani poly-drug organization which is considered to be one of the largest heroin and hashish suppliers for Europe, Canada, and the United States. While these TKO investigations are still in their early stages, we look forward to successfully disrupting these heroin trafficking organizations and ultimately impacting on the supply of heroin reaching this country.

In addition to the pressure that DEA continues to apply to kingpins through our TKO program, DEA and other U.S. agencies are also attacking kingpins by denying them access to essential chemicals through chemical control programs. Most of these chemicals, which are essential to cocaine processing, are imported illegally into the Andean region or are diverted after legal importation. However, because of the Chemical Diversion and Trafficking Act (CDTA), we have been able to place a system of controls over the distribution, importation and exportation of these chemicals.

Although the CDTA has significantly reduced the role of the United States as a source of those chemicals utilized in the production of cocaine in the Andean region, cocaine production continues because other nations, particularly those in Europe, have replaced the United States as a source of these chemicals. In 1991, the U.S.-chaired Chemical Action Action Task Force (CATF) developed and gained widespread acceptance of a set of measures to be incorporated into national chemical regulatory regimes. Illicit drug producing countries

have also moved swiftly to adopt chemical regulatory regimes. The cocaine producing countries of Latin America haver adopted regimes based both upon the measures recommended by the CATF and the more comprehensive Organization of America States (OAS) model chemical regulations. The U.S., in conjunction with the UN and OAS has been providing Latin America with technical assistance on implementing the regulations. As a result, it can now be said that the legal framework has been established for effective control by Japan and the chemical exporting nations of Western Europe.

In view of all that has been accomplished, it is now time for action. The fact remains that the chemicals needed to process illicit drugs are still readily available to traffickers in the world market. We are not aware of any reduction in the level of exports of cocaine essential chemicals from Europe to the Andean region. We have proposed specific plans for joint investigative operations with key European source countries, and we are looking forward to their responses. We are also sponsoring a major international conference of over 55 nations and international organizations on chemical control in Rome in June which will focus on special operational issues related to international cooperation in investigations and data sharing. The goal of this conference is to develop effective strategies to take advantage of the recently established legal framework so that drug traffickers are denied access to the chemicals needed to produce cocaine and heroin.

In other areas, DEA is also attacking kingpins by disrupting their financial operations. As you well know Mr. Chairman, drug kingpins rely on an extensive network of money laundering organizations and have devised numerous schemes to launder, transfer, and hide millions of dollars of ill-gotten profits throughout the world. In response to this problem, DEA, in cooperation with a host of other Federal, state and local law enforcement agencies, worked to develop strategies to disrupt the illicit operations of drug trafficking organizations through the seizure and forfeiture of their assets.

Within the past two years, DEA and Colombian authorities raided locations where Cali financial operations were transacted. These raids produced extensive financial records that led to the discovery of tens of millions of dollars in the United States and Britain, and caused extensive disruption to the cartel.

DEA's Operation Green Ice, is also an example of the effectiveness of DEA's financial strategy, and a testament to the effectiveness of international cooperation. Initiated in January 1990, Green Ice was developed to identify, disrupt, and dismantle cartel cells in the United States and Europe. Other objectives of this Operation were to arrest money launders and traffickers of these cells, to seize cartel cash and assets, and to disrupt the cartels' money flow back to Colombia. These objectives were achieved largely through the international cooperation of Spain, the United Kingdom, Italy, Canada, the Cayman Islands. Costa Rica and Colombia. Through the use of cooperating individuals and undercover agents posing as drug money launderers, we successfully infiltrated the kingpin organizations of Jose Santacruz-Londono, the Rodriguez-Orejuela brothers, Urdinola-Grajales, and the Ochoa brothers. We also identified several major money launderers/brokers in Colombia. As a

result of Operation Green Ice, worldwide, over \$46 million was seized.

Last year, through the efforts of our entire financial investigations program, DEA seized almost \$1 billion in trafficker assets. DEA seized more assets than our entire budget last year.

Mr. Chairman, as important as DEA considers the Kingpin Strategy, it is only one prong of a multifaceted approach that we are employing to disrupt domestic and international drug traffickers. Other DEA programs, such as Operations Snowcap and Cadence, work hand-in-hand with the Kingpin Strategy and are essential to ensure that the cartels are attacked on all fronts.

DEA also continues to make progress through the programs that we conduct in source and transit countries. An example of this success is Operation Ghost Zone, involving the Government of Bolivia and DEA, supported by the Department of State. Since its initiation in February of 1992 in the Chapare region where 25 percent of the world's coca is produced, Ghost Zone has been responsible for the seizure of 141,162 pounds of coca leaf, 14 aircraft and 307 drug laboratories. In addition, 19 clandestine airstrips have been destroyed. More importantly, however, is that air access to the Chapare region has been significantly denied to the trafficking organizations.

Similar interagency initiatives such as Operation BAT, the Northern Border Response Force, and Operation CADENCE have also caused traffickers to alter their drug smuggling routes. Through the combined efforts of each of these programs, and the cooperation of host governments, DEA is working to deny drug trafficking organizations access to all transportation corridors throughout the hemisphere.

Foreign Cooperative Efforts

DEA's day-to-day international operations are carried out by agents and support personnel in 73 overseas offices in 50 nations. Our overseas efforts are directed towards encouraging, advising, and assisting host country governments in the developing programs and procedures to conduct international investigations focused at the highest-level of the drug traffic within host countries. This program is invaluable to DEA, for it provides us with investigative leads and intelligence about drug trafficking operations that enable us to attack United States distributors associated with these supply sources.

Our overseas efforts, carried our in concert with other U.S. Government agencies, also include developing programs to reduce the supply of drugs in-country, to eliminate foreign clandestine conversion laboratories, to identify export staging areas and interdict the drugs, and to reduce the diversion of legitimate drugs and essential chemicals from international commerce. In addition, DEA assists host country governments in developing effective drug law enforcement legislation, management, and practices. DEA's presence in foreign countries is only at the invitation of the host country.

Worldwide acceptance of the international nature and the significant threat posed by narcotics production and trafficking has generated an unprecedented increase in international cooperation in the global war against drugs. DEA continues to play an instrumental role in these efforts.

International Training

Another important aspect of DEA's role in foreign countries is to provide drug law enforcement training to our foreign counterparts. This specialized training enables worldwide law enforcement agencies to be better equipped to address the many challenges of the complex and changing drug situation.

Last year, DEA conducted international drug enforcement training for 2,247 law enforcement personnel from foreign countries. The funds for these programs are provided by the State Department's Bureau of International Narcotics Matters. This training included both the instruction of foreign nationals within the United States as well as DEA-sponsored in-country training. In total, over 105 countries took part in international drug enforcement training courses sponsored by DEA, including Argentina, Brazil, Colombia, Mexico, Costa Rica, Morocco, Greece, Turkey, the Soviet Union, Thailand and Laos. Since the inception of the international training program in 1968, DEA has trained a total of 37,863 foreign officers and officials.

Some of our training programs that are scheduled for this year include a Regional Drug Enforcement seminar in Budapest, Hungary, scheduled for May 17-28. This two-week seminar will bring together 40 narcotics officers from Cyprus. Bulgaria, Czech Republic, Slovak Republic, Greece, Poland, Romania, Turkey, Hungary, Russia Slovenia, Croatia, Albania and the Ukraine.

We will also present an Asset Forfeiture Seminar--the first of its kind held in Romania--for 40 participants from CIS and Eastern Block countries. The seminar is scheduled for May 17-21, 1993. One regional Asset Forfeiture Seminar was held in Guatemala earlier this year, and others will be held in Uraguay. Brazil, Malaysia and the Caribbean.

We are currently developing a stand-alone training program which will aid foreign countries in developing self-sufficiency in the area of drug law enforcement training. Through this program, we hope to maintain on-going drug law enforcement instruction in various countries to teach future generations of narcotics officers the basic skills necessary to aggressively respond to the threat posed by drugs in their countries. We plan to expand this program to Eastern Bloc countries during fiscal year 1994.

Conclusion

Mr. Chairman, as you well know, there are many challenges which remain as we undertake efforts to control the global drug trade. While we have made serious inroads into the Medellin and Cali cartels, frustrating their activities in moving drugs and money, our efforts continue. Other cartels may emerge, and trafficking routes will shift. Heroin continues to pose a major threat to the United States and the rest of the world. With the relaxation of border controls in Europe, and the disintegration of the Soviet bloc, we are witnessing the birth of new markets for drugs, new recruits for cartel operations, and new opportunities for money laundering in these areas of the world.

We appreciate the Subcommittee's interest and support of our international narcotics control efforts. I will be happy to answer any questions you or others on the Subcommittee may have. Thank you for the opportunity to speak with you today.



United States Department of State

Washington, D.C. 20520

Dear Mr. Speaker:

In accord with Section 490 of the Foreign Assistance Act, I am transmitting to you the President's Determination regarding certification of the 27 major illicit narcotics producing and transit countries. The President has certified 22 countries, granted a national interest waiver to two and denied certification to three.

As we have for the past three years, we are providing an explanation of certification for each country so that in each case our certifications reflect the degree of counternarcotics progress and cooperation.

The international anti-drug effort has gained strength, forcing the highly adaptable international drug trade to shift its tactics. In concert with the United States, more countries have joined the battle against narcotics; multilateral action against money laundering and essential and precursor chemicals has advanced; and continuing national reforms in accord with the 1988 U.N. Drug Convention have kept major trafficking groups on the defensive.

However, cocaine and heroin continue to flow to the United States, making it all the more important to sustain international pressure against the cartels to achieve long-term progress. More than anything, trafficking organizations fear concerted action across borders by governments committed to attack the grower-to-user chain at every link. Even greater progress must be made in these areas through the international anti-drug effort.

The President is fully aware that, in recent years, Congressional committees have questioned the certification of governments whose counternarcotics performance has been marginal. The President has therefore asked that the Administration's current review of counternarcotics policy include a full examination of the certification process under Section 490 as required by law. A major goal of this review will be to develop clearer descriptions of foreign government cooperation with U.S. narcotics control policies. It will also evaluate the implications of certifying, certifying with a national interest waiver and decertifying a given ccuntry.

The Honorable
Thomas S. Foley,
Speaker of the House of Representatives.

This review will fully consider recent Congressional concerns. The President looks forward to working with the Congress on developing a more effective oversight process which furthers our international narcotics control interests.

Sincerely,

Robert A. Bradtke Acting Assistant Secretary Legislative Affairs

Enclosures:

- 1. Presidential Determination
- 2. Statements of Explanation
- 3. Statements in Support of Denial of Certification
- 4. National Interest Determinations for Afghanistan and Lebanon

THE WHITE HOUSE

March 31, 1993

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MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Certification for Major Narcotics Producing and

Transit Countries

By virtue of the authority vested in me by section 490(b)(1)(B) of the Foreign Assistance Act of 1961, as amended ("the Act"), I hereby determine and certify that the following major narcotics producing and/or major narcotics transit countries/dependent territories have cooperated fully with the United States, or taken adequate steps on their own, to achieve full compliance with the goals and objectives of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances:

The Bahamas, Belize, Bolivia, Brazil, China, Colombia, Ecuador, Guatemala, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru, Thailand, and Venezuela.

By virtue of the authority vested in me by section 490(b)(1)(B) of the Act, I hereby determine that it is in the vital national interests of the United States to certify the following countries:

Afghanistan and Lebanon.

Information on these countries as required under section 490(b)(3) of the Act is enclosed.

I have determined that the following major producing and/or major transit countries do not meet the standards set forth in section $490(b)(1)(\lambda)$:

Burma, Iran, and Syria.

In making these determinations, I have considered the factors set forth in section 490 of the Act, based on the information contained in the International Narcotics Control Strategy Report of 1993. Because the performance of these countries varies, I have attached an explanatory statement in each case.

You are hereby authorized and directed to report this determination to the Congress immediately and to publish it in the <u>Federal Register</u>.

William Terrison

THE BAHAMAS

In 1992, the Government of the Commonwealth of The Bahamas (GCOB) made further progress toward achieving the goals of the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the "UN Convention") and its bilateral marcotics control agreement with the USG. The GCOB has controls in place to discourage cash money laundering, but newer, more sophisticated money laundering techniques may require additional controls in order to meet fully the goals and objectives of the UN Convention. The GCOB continued its close cooperation with the USG to stop drugs from transiting the 700 islands of the archipelago. Drug enforcement initiatives, through both unilateral and combined programs, have reduced the overall quantities of drugs brought through the Bahamas over the past ten years. The new Ingraham administration, which came into office in August 1992, voiced its early commitment to maintain and enhance the high degree of cooperation in counternarcotics.

The Bahamas, which was the first country to ratify the 1988 UN Convention, has progressively instituted laws and programs to meet its objectives. In past years, the GCOB has created or strengthened laws or agreements relating to sentencing of traffickers, drug asset forfeiture, and mutual legal assistance. In 1992, the GCOB implemented comprehensive regulations to control the import and export of drug precursor and essential chemicals.

In October 1992, USG and GCOB representatives held talks on money laundering. The delegation of U.S. officials agreed with the GCOB conclusion that cash money laundering through banks in The Bahamas had diminished sharply. The majority of banks seemed to be effectively administering a know-your-customer policy which helps deter cash money laundering by non-account holders and/or transients. However, the USG also believes that The Bahamas is vulnerable to exploitation by drug money managers employing more sophisticated techniques involving a variety of monetary instruments passing through layers of shell corporations, which are a major feature of Bahamian banking and commerce. There are indications that money laundering continues via these new techniques.

BELIZE

The Belizean Government (GOB) has cooperated closely with the U.S. and other countries to combat narcotics trafficking. Cooperation has included interdiction, aerial eradication, sharing of intelligence, training, provision of materiel, and the arrest and return to the U.S. of non-Belizean-fugitives from U.S. justice. Cocaine seizures and other drug-related crimes increased dramatically in 1992. Belize, with U.S. support, has successfully reduced marijuana cultivation to negligible levels. There is no indication of transit through Belize of precursor chemicals, or of any significant money laundering in Belize.

In December 1992, the U.S. and Belize signed a comprehensive maritime agreement which should enhance both nations' abilities to interdict illegal narcotics. The GOB has not yet signed the 1988 UN Convention, but many of the provisions of the Convention have already been adopted in Belize's 1990 Misuse of Drugs Act. Belize criminalizes illegal drug cultivation, production and distribution, and has cooperated with the U.S. and Mexico on interdiction of cocaine transshipment—indicators that the country is already in conformity with the intent of the UN Convention. The USG is urging Belize to adhere to the UN Convention and expects it will do so in 1993.

BOLIVIA

The Government of Bolivia (GOB) continued to cooperate with the USG and its neighbors on counternarcotics objectives in 1992 and has taken adequate steps to further the goals set forth in the 1988 UN Convention.

A major combined police, air force and navy law enforcement operation in the Chapare, the main coca growing region, resulted in significant seizures, including 51 metric tons of coca leaf, over 25 metric tons of cocaine products, nearly 80 metric tons of chemicals, seizure of 10 aircraft, destruction of 427 processing laboratories and 19 airstrips, and arrest or detention of 496 persons suspected of participating in trafficking activities. Building on the success of previous actions, this long-term operation demonstrates the growing capacity of the GOB to implement and sustain successful law enforcement actions throughout the country.

The GOB eradicated 5,149 hectares of coca in 1992. Although short of the GOB 7,000-hectare target, the voluntary eradication program succeeded in duplicating the small net reduction of coca cultivation achieved in 1991. It should be noted that a portion of coca cultivation (traditional chewing and for coca tea) is legal under Bolivian law but that production far exceeds the needs of the domestic market.

GOB counternarcotics results would be improved by strengthened political will against illegal coca cultivation and more vigorous actions against corruption. The GOB needs to implement all provisions of its existing law, including forcible eradication of new coca in the Chapare. Improvements in the justice system would increase GOB ability to prosecute successfully traffickers and keep them in prison.

The GOB extradited one Bolivian drug trafficker to the United States in mid-1992. However, in December 1992, the Bolivian Supreme Court rejected a U.S. request for the extradition of another trafficker on the grounds that the existing extradition treaty did not include narcotics violations, and that the offenses for which the trafficker was charged occurred prior to Bolivia's accession to the 1988 UN Convention. (The UN Convention had been the basis for previous extradition requests.) The Court's decision spurred the GOB to seek a modern extradition treaty with the U.S. which would cover narcotics-related offenses. The GOB is currently reviewing the text of a draft treaty it negotiated with the U.S. in 1990.

BRAZIL

In 1992, the Government of Brazil (GOB) continued to cooperate with the USG in counternarcotics programs, though results of its efforts have been disappointing. A severe political crisis and chronic economic problems distracted the GOB from effectively addressing its rising drug trafficking and consumption problem.

The GOB has not yet formulated a comprehensive national strategy, nor has it devoted sufficient resources to the problem. The anti-narcotics unit of the Federal Police is severely undermanned and underfunded. Legislation which would substantially improve counternarcotics enforcement continues to languish in congressional committee.

Nevertheless, the GOB undertook two notable counternarcotics initiatives in 1992. The President signed a decree increasing the penalty for growing illegal drugs. Under this decree, landowners may be required to forfeit their entire plot of land, not just the small parcel under illicit cultivation. Secondly, the Government imposed regulations for reporting deposits over \$10,000, following a USG-funded money laundering control seminar attended by central bank officials. New President Franco has declared 1993 will be a year of national commitment against drug trafficking. These measures demonstrate progress toward the goals and objectives of the 1988 UN Convention.

CHINA

The People's Republic of China (PRC) has become a significant transit country for heroin produced in the neighboring Golden Triangle region, principally Burma. It also has a growing opium cultivation problem and produces illicit methamphetamine, some of which is exported. The Chinese Government is actively addressing narcotics abuse and has launched a strong internal campaign against illegal drug use, including law enforcement, public education and international cooperation components. The Government treats narcotics-related corruption seriously.

Expansion of PRC cooperation with the USG remains restricted by the still-unresolved case of smuggler Wang Zongxiao, who requested political asylum in the U.S. in 1990 after being sent by PRC authorities at USG request to testify in a narcotics prosecution. The Drug Enforcement Administration has been able to continue a modest liaison relationship with PRC authorities, however, and the Chinese have participated in USG-funded training programs. The PRC itself pursues an active and aggressive counternarcotics effort, which has resulted in numerous arrests and convictions, many resulting in death sentences and substantial seizures.

China's broad-based counternarcotics program, while not in all respects sophisticated by world standards, shows that the PRC has met or is actively seeking to meet the goals and objectives of the 1988 UN Convention.

COLOMBIA

Despite intense pressure by powerful drug trafficking organizations and some setbacks, Colombia continues to be both cooperative and proactive in a broad range of counternarcotics activities. Colombia signed the 1988 UN Convention in 1988. Despite the fact that the Second Senatorial Commission did not ratify it, the Government of Colombia (GOC) has largely met the goals of the Convention and the Gaviria administration still strongly supports its ratification. Pablo Escobar's July escape from prison was a major embarrassment to the GOC, with costly political fallout both domestically and internationally. The GOC responded quickly, by initiating an unprecedented massive manhunt, resulting in thousands of raids. Although Escobar remains at large, many of his key associates have been killed, captured, or have returned to prison voluntarily.

The GOC made a tough political decision in early 1992 to eradicate opium poppy — which only recently appeared in Colombia — with aerial application of herbicide. This decision, coupled with the Colombian National Police's (CNP) aggressive crop spraying campaign, has started to stabilize the opium crop. However, continuing pressure is needed to prevent the spread of opium poppy cultivation.

Led by the CNP's directorate of anti-narcotics (DAN), security services in 1992 seized or destroyed over 33 metric tons of cocaine hydrochloride and base, over 200 cocaine labs, over 6,000 55-gallon drums of ether, acetone and MEK, 110 airstrips, over 30 aircraft, and arrested over 1,700 persons.

The GOC activated its new Prosecutor General's office July 1, setting a standard in Latin America for criminal justice reform and prosecuting narcotics cases. Colombian law enforcement and military components participated fully in both bilateral and multilateral air interdiction and money laundering/asset seizure operations, many targeting the Cali Cartel. The CNP and Venezuelan security forces conducted a successful joint cross-border interdiction operation. Colombia is also conducting its first national-level drug abuse survey. Strong political will exists within the GOC, but the activities of traffickers through bribery, political influence, intimidation, violence and collusion with insurgents make progress difficult.

ECUADOR

The Government of Ecuador (GOE) continues to cooperate with the USG to reduce drug trafficking. The GOE has enacted domestic legislation to implement the provisions of the 1988 United Nations Convention and OAS Model Regulations. The GOE is taking steps to meet the goals and objectives of the 1988 UN Convention. In 1991, Ecuador and the USG signed a chemicals control agreement. In 1992, Ecuador signed an agreement with the USG on money laundering, which entered into force in 1993. Also in 1992, the USG and GOE began work on an asset sharing agreement. The GOE must marshal the various Ecuadorian agencies' efforts to form a viable national counternarcotics strategy.

The GOE's arrest of the leader and most members of the Jorge Reyes Torres Organization (JRTO/the largest narcotics trafficking organization in Ecuador) demonstrated resolve against drug trafficking, although we are waiting for vigorous prosecution of the defendants. The GOE also brought charges against a number of officials in an Ecuadorian military-owned bank for money laundering. In addition, the GOE sentenced a judge to five years in prison for illegally releasing Reyes Torres from jail in 1988. Nevertheless, corruption remains a serious problem.

For the first time, the Ecuadorian military provided air support to the police for counternarcotics operations. In another first, the GOE launched combined police/military operations against suspected drug traffickers in a remote area of the Ecuadorian/Colombian border. Ecuador also participated with the USG and neighbors in multi-national military efforts to curb drug trafficking. Ecuador has continued its participation in a regional air interdiction program.

The GOE eradicated coca in the mid-1980s and continues to conduct reconnaissance to locate and destroy any new cultivation, resources permitting. GOE forces found and destroyed several hectares of opium poppy near the Colombian border in November 1992.

GUATEMALA

During 1992, the administration of President Serrano cooperated with the U.S. to combat narcotics trafficking. Guatemalan Treasury Police participated with the Drug Enforcement Administration and the State Department Bureau o: International Narcotics Matters (INM) in Operation CADENCE, an enhanced cocaine interdiction program combining intelligence sharing, joint counternarcotics missions, and use of USG air assets in Guatemalan territory.

Operation CADENCE and Guatemalan law enforcement authorities' own independent actions resulted in the seizure of 9.5 tons of cocaine in 1992. With USG support, the Guatemalans opened a Joint Intelligence Collection Center and included on the staff an official dedicated to precursor chemical control investigations. The Treasury Police has also undertaken to increase its staff and deploy more heavily throughout the country.

Guatemala's USG-supported aerial eradication program and Guatemala Treasury Police manual eradication missions sharply reduced the cultivation of opium poppy in 1992. The area under cultivation had reached a peak in 1990 at roughly 1,93 hectares, but declined in 1991 to 1,721 hectares, and in 1991 to 1,200 hectares.

Guatemala has signed and ratified the 1988 UN Convention; in 1992, the Guatemalan legislature passed a tough, comprehensive counternarcotics law which, when implemented in 1993, will meet the standards of the 1988 UN Convention. The government's cooperation on extradition and law enforcement with the U.S. as well as its chemical controleforts, drug awareness programs, crop eradication and drug interdiction indicate that the country is already in conformity with the Convention's goals and objectives.

The Serrano administration brought extradition proceedings against former mayor (of Zacapa) Arnoldo Vargas to a successful conclusion in 1992. Vargas and two of his associates now await trial on trafficking charges in the United States.

HONG KONG

Hong Konq is an important center for brokering and transshipping heroin from the Golden Triangle to the United States and other destinations. Drug traffickers also use it to launder their narcotics earnings. Hong Kong's counternarcotics effort represents substantial compliance with the goals and objectives of the 1988 UN Convention, although it is not party to the Convention.

Bilateral cooperation between USG agencies and their HKG counterparts is excellent. About \$25 million in drug-related assets have been confiscated both in Hong Kong and in the U.S. under a U.S.-Hong Kong agreement concerning confiscation and forfeiture of proceeds and instrumentalities of drug trafficking since it came into force in January 1991. The Hong Kong courts ruled in January that U.S. civil court forfeiture orders will be given effect by local courts under the terms of the bilateral agreement. This will give the U.S. the ability to request the freezing of drug assets in Hong Kong by means of either a U.S. civil or criminal forfeiture request. The HKG is positively considering a USG request for the sharing of seized assets. In one setback, a Hong Kong court ruling voided key sections of the financial disclosure laws; the Hong Kong Government is appealing to the Privy Council.

USG-HKG cooperation in extradition matters remains excellent. In 1992, ll fugitives were extradited from Hong Kong to the U.S. on drug charges. Cooperation between the U.S. Drug Enforcement Administration and Customs and their HKG counterparts continues to be fruitful. Hong Kong is an active participant in the Financial Action Task Force.

INDIA

India's main drug control problems are the transit of illegal drugs across its borders from neighboring producing countries, diversion from its licit opium industry to illicit channels, illegal cultivation and illicit export of chemicals for processing heroin. Despite good cooperation with the United States on individual cases of trafficking and increasing efforts to curtail diversion from licit cultivation, the Government of India (GOI) still needs to raise the priority of anti-drug programs and take stronger measures to control narcotics to the maximum extent possible.

The GOI again in 1992 raised the minimum amount of opium which licit growers must sell the GOI to obtain a new license, tightened terms of the crop-damage clause and paid incentives to growers who sell the GOI more opium than the average yield for the previous growing year. It has also reduced the number of farmers licensed to grow opium and brought the licit opiate stockpile down to a level consistent with market demand. Nevertheless, corruption at various levels and limited resources continue to obstruct effective GOI enforcement to thwart diversion of the licit crop into the hands of traffickers. Significant quantities of opium are still diverted from licit production, although most of what is diverted is probably consumed within the country. GOI-reported seizures of illegal opium fell to 1,585 kg in 1992 versus 2,145 kg in 1991.

On the other hand, GOI-reported heroin seizures rose to 1,034 kg in 1992 versus 622 kg in 1991. GOI regulations controlling the sale and possession of acetic anhydride (AA), used to make heroin, on the Indo-Pakistani and Indo-Burmese border have apparently helped to reduce AA smuggling to neighboring countries. The GOI states that nationwide AA controls are impossible because of its wide licit use, but the government nevertheless has set up an interagency committee to study what further domestic restrictions on AA may be possible.

India is becoming a major repository of Southwest Asian drug money, attracted by weak controls on its financial system, its gold-market and its underground banking system. India is also reportedly attracting drug money from Colombia and other parts of the narcotics world. Several measures of control have been adopted in India, but enforcement is weak.

Existing Indian narcotics-related laws are adequate but rules on asset seizure, conspiracy and money laundering need to be more consistently applied to further advance the goals and objectives of the 1988 UN Convention.

JAMAICA

In 1992, the Government of Jamaica (GOJ) took adequate steps toward achieving the goals of both its bilateral narcotics control agreement with the USG and the 1988 UN Convention. Jamaica's new Prime Minister, who entered office in March 1992, reaffirmed his government's commitment to a vigorous counternarcotics program.

The GOJ-USG cooperative interdiction program resulted in increased cocaine seizures during 1992. However, marijuana seizures were down, due at least in part to the vigorous GOJ eradication program to which the USG provided helicopter support. Based on preliminary crop estimates, in 1992 harvestable cultivation of cannabis was reduced to 389 hectares, down from 950 hectares in 1991 and 1,220 hectares in 1990. The Jamaicans hosted a workshop and a ministerial conference on money laundering under the auspices of the Caribbean Financial Action Task Force.

The GOJ is largely effective in controlling public corruption connected with drug trafficking. There have been no known instances of integrity violations in jointly conducted USG-GOJ narcotics investigations. Although no senior GOJ officials are known to be engaged in drug trafficking, an assistant superintendent of police was charged with accepting bribes and providing security for a major marijuana trafficker. A resident magistrate ruled that the GOJ had failed to substantiate the charges, and the assistant superintendent was reinstated to his former position.

The GOJ has not yet ratified the USG-GOJ Mutual Legal Assistance Treaty (MLAT) or the 1988 UN Convention. Draft legislation to ratify the MLAT and a second draft of assets seizure/money laundering legislation were completed in 1992 and are under review by the GOJ. The new U.S.-Jamaican extradition treaty, which entered into force in 1991, provides for the extradition of drug offenders.

The GOJ takes pride in its integrated demand reduction program, which encourages society as a whole to attack drug abuse. The GOJ has not yet developed an information system to monitor the success of the program.

LAOS

Laotian counternarcotics efforts expanded in 1992. Estimated opium production declined 13 percent in 1992 from 1991, bringing the total crop reduction since initiation of USG and United Nations Drug Control Program (UNDCP) funded counternarcotics programs in 1989 to 39 percent. Laos is the only major producer in which opium production has decreased for three consecutive years.

Although Lao law enforcement efforts against the drug trade remain largely ineffective, there were several potentially positive developments in the area during the year. The Government of Laos (GOL) has actively publicized narcotics-related arrests and seizures during the past year, in contrast to past practice. An increased number of both highland and lowland Lao have been arrested on charges involving opium, heroin and marijuana. In December, Laos arrested its first foreign heroin trafficker in a case also marked by cooperation with Thai police authorities. The Lao Customs Department has established a separate counter-smuggling unit in Vientiane with counternarcotics responsibilities. In August, the GOL Council of Ministers approved establishment of a counternarcotics police unit, and in September Laos and the USG signed a letter of agreement to provide support and training for this unit. Progress in actual formation of that unit has been slow, but existing police counternarcotics efforts continue to improve. Laos' counternarcotics efforts remain weak, and its slowness to establish the new police unit and accept USG assistance are disappointing; but these aspects must be seen in the context of a poor country with a poorly developed administrative system.

Laos is not a party to the 1988 UN Convention. It has made only limited formal progress toward meeting its goals and objectives, but is translating materials on the legal requirements of the Convention into Lao for legislative attention, and officials have stated their intent to meet the Convention's standards.

Narcotics corruption among civilian and military personnel continues to be a major problem in Laos. There is no evidence that the Lao Government itself encourages or facilitates narcotics activity. Although senior Lao officials have repeatedly insisted that anyone involved in the narcotics trade will be arrested and prosecuted, there is little evidence of aggressive action in this regard.

MALAYSIA

Malaysia is an important consumer and transit point for Golden Triangle heroin, some of which is also processed in the country from imported opium or derivatives. The Malaysian Government recognizes the seriousness of the narcotics threat both domestically and internationally, and has strong laws, active law enforcement, public education, and treatment programs. It cooperates well with the United States. During 1992, Malaysia arrested at USG request a major Southeast Asian heroin trafficker and pursued extradition proceedings against him. Although the extradition request was denied, the trafficker was expelled from Malaysia and is now under arrest in the U.S.

While low-level corruption facilitates persistent drug trafficking and abuse, Malaysia pursues aggressive law enforcement efforts under one of the most severe drug laws in the world. Malaysian narcotics policy is generally serious, well funded and well organized. Malaysia is actively moving to meet the goals and objectives of the 1988 UN Convention, which it has signed but not yet ratified.

MEXICO

The United States Government and the Government of Mexico (GOM) maintained close, effective counternarcotics cooperation in 1992, despite GOM indignation over what it viewed as violations of Mexican sovereignty and international law in the Alvarez Machain case.

Mexico nevertheless continued its vigorous and comprehensive national campaign against production, trafficking and abuse of illegal drugs, meeting the goals and objectives of the 1988 UN Convention. The GOM still needs to enact money laundering legislation, which we expect to be submitted to the Mexican Congress in April 1993. The GOM seized nearly 40 MT of cocaine and 83 kilograms of heroin in 1992, and the USG estimates that Mexico effectively eradicated 6,860 hectares of opium poppy and 12,100 hectares of marijuana. President Salinas called on all of Mexico's governors to develop state programs to complement the national drug plan which addresses both the effects and the roots of the problem -- a balanced approach of supply and demand reduction, alternative economic development, etc. June 1992, the GOM established the National Center for the Planning for the Control of Drugs (CENDRO) as the focal point for strategic planning, threat analysis and operational The Attorney General continued to press for coordination. legal reforms to further combat trafficking and to protect civil rights.

Mexico is working with the U.S. to build a coordinated hemispheric response to the drug threat. President Salinas participated in the San Antonio Summit. The GOM urges its neighbors to take greater responsibility for combatting trafficking in their territories. In July 1992, Mexico announced that it would complete the process of assuming the costs of counternarcotics programs previously supported by U.S. international narcotics control funds. Future USG support will concentrate on specialized training and technical support.

Despite successes, Mexico faces daunting obstacles. Illicit drug crop cultivation has spread to new and more remote areas. South American cocaine traffickers have taken evasive measures to avoid detection. Mexico's revitalized economy and unregulated money exchange houses make it an attractive venue for money laundering. Also, its extensive chemical industry makes control of precursor chemicals very difficult. Official corruption is a deep-rooted and persistent problem, but it is one which President Salinas is addressing as a high priority.

MOROCCO

Morocco is one of the world's largest producers of cannabis, much of which is exported as hashish resin or oil to Europe and other countries in North Africa. Increasing quantities of cocaine and, to a lesser extent, heroin are transiting from the Americas and Asia through Morocco en route to Europe. An estimated 15 to 40 percent of Morocco's cannabis crop is consumed domestically. Abuse of prescription drugs is a secondary concern, and authorities report rising use of cocaine and heroin in major cities.

During the latter months of 1992, Morocco began showing signs of new political will to address its drug trafficking and consumption problems. King Hassan II issued a directive in October ordering various ministries to increase their anti-drug efforts. In October, the Moroccan Government also publicly acknowledged the existence of drug-related official corruption and took action against many suspected of involvement in the drug trade. Although official corruption continues to be a serious problem, the government struck from electoral rolls the names of nearly 400 candidates suspected of narcotics-related corruption. Morocco ratified the 1988 UN Convention in November and began drafting modifications to its laws to bring them into conformity. These revisions are expected to be enacted early in 1993.

Following the King's directive, Morocco also initiated a two-phase counternarcotics campaign in the cannabis-producing Rif Mountain region. The first phase involved increased law enforcement activities, although it is not clear how effective these activities have been at reducing cannabis cultivation. For the second phase, King Hassan has requested over \$700 million in financing from the European Community for crop substitution and economic development in the Rif region.

NIGERIA

Nigerian drug trafficking organizations are responsible for bringing in much of the Asian heroin that enters the United States. These networks, sophisticated in their practices and ubiquitous in their geographical reach, recruit carriers from throughout Africa, as well as from Europe, Asia, and the United States. Nigerians also are increasingly involved in trafficking cocaine from Latin America into Europe and the United States.

The Federal Military Government (FMG) of Nigeria took some steps to improve its counternarcotics performance in 1992, although much remains to be done. In April 1992, the USG requested the extradition of four Nigerian citizens to face heroin trafficking charges in the United States; one of the four was extradited in October. As Nigeria's importance as a drug transit country has grown, there has been a corresponding growth in drug abuse within Nigeria. The FMG in 1992 made genuine efforts to attack the problem by expanding public awareness, developing anti-drug curricula for public schools, and opening two drug treatment centers.

The FMG does not, as a matter of policy, facilitate the production or trafficking of drugs or the laundering of drug money, but corruption continues to be an endemic problem severely limiting the effectiveness of Nigeria's counternarcotics efforts. Nigeria took some steps in 1992 to recognize its corruption problems. The Attorney General's office amended Nigeria's drug decree to impose stiffer penalties on corrupt officials. Several drug law enforcement officers were arrested and charged with corruption, including an intelligence officer who received a 30-year prison sentence.

The National Drug Law Enforcement Agency (NDLEA), created in 1989, continued to expand its staffing and budget, but its effectiveness was hampered by corruption and weak leadership. After a period of strained relations that forestalled operations of the joint NDLEA-DEA task force, the joint task force resumed its activities late in 1992 and is discussing a reorganization for 1993.

In many respects, Nigeria's counternarcotics efforts advanced the goals and objectives of the 1988 UN Convention, but the FMG needs to do more in several areas including extraditing the remaining three Nigerian citizens under indictment in U.S. Federal court, targeting major drug organizations and kingpins, and preventing and punishing official corruption.

PAKISTAN

Pakistan remains a major producer and an important transit country for heroin destined for international markets. The Drug Enforcement Administration estimates that 20 percent of the heroin consumed in the U.S. originates in Southwest Asia where Pakistan is a primary producer.

The Government of Pakistan (GOP) continued anti-narcotics initiatives in 1992. Cooperation with USG agencies on investigations, enforcement and extraditions remained good; however, the GOP initiated only two prosecutions of major traffickers during the year; one was convicted but successfully appealed. The USG expects that Pakistan will do better on arrests and prosecutions when the Narcotics Ministry's Anti-Narcotics Task Forces (ANTF), established in 1992, become fully operational. The GOP states that it is committed to expanding and enforcing the opium poppy ban in the Northwest Frontier Province, but potential opium production decreased only slightly to 175 mt in 1992 as compared to 180 mt in 1991. While 12 heroin labs in the Northwest Frontier Province (NWFP) were reportedly closed, no prosecutions resulted and government action has apparently not deterred the opening of new heroin laboratories. Most of these laboratories are located in areas of the northwest bordering Afghanistan and have never been within the span of central Pakistani government control.

Draft legislation to bring Pakistani laws into compliance with the 1988 UN Convention still awaits passage by the Parliament. If the Parliament adopts recommendations on drug control written by a special committee for the country's next five-year plan, it will represent a commitment to enhancing GOP anti-drug efforts. Pakistan is increasingly of concern as a money laundering site.

Pakistan is taking adequate steps to meet the goals and objectives of the 1988 UN Convention, but the GOP must follow through -- financially and politically -- to implement more effective narcotics control initiatives if they are to contribute meaningfully to reducing the country's drug problems.

PANAMA

Panama remains a major narcotics money laundering and illicit drug-transshipment nation. Despite continued policy and budgetary support for counternarcotics measures by the Endara administration, Panama's drug trafficking problem remains severe and the Panamanian Government (GOP) needs to make a stronger, more effective effort against the drug trade.

Cocaine seizures in 1992 increased to 10 tons, exceeding the record 9.3 tons seized in 1991. Most of the large seizures (including a record 5.3 tons on July 15) occurred in the Colon Free Zone, highlighting the importance of that facility to traffickers. The GOP redrafted its national narcotics control legislation (Law 23 of 1986). Panamanian law already meets the goals and objectives of the 1988 UN Convention: it criminalizes a broad range of narcotics trafficking and money laundering activities and provides for assets seizure. Still, Panama is a "venue of choice" to money launderers, and is one of the four major money laundering countries in this hemisphere. The GOP signed and ratified a Mutual Legal Assistance Treaty with the U.S. in 1991, but the document still awaits the U.S. Senate's ratification. Panama signed the 1988 UN Convention in 1991, but has not yet ratified it.

Execution of drug laws has been inconsistent, in part because Law 23 is more effective for seizure than for forfeiture of illegally obtained assets. Panamanian authorities continued in 1992 to freeze bank accounts of suspected money launderers; however, claiming he was bound by Law 23, the Attorney General released millions of dollars of previously frozen accounts allegedly traceable to drug cartel kingpins. These unwarranted actions prompted the Panamanian Solicitor General to suspend both the Attorney General and Drug Secretary, pending further investigation. The suspensions, upheld by the Supreme Court, revealed much GOP interagency suspicion and weakened Panama's overall counternarcotics effort.

Notwithstanding the need for Panama to prosecute money laundering cases more vigorously, Panama cooperated with the U.S. in 1992, inaugurating a Joint Intelligence Collection Center; opening a new Judicial Technical Police (PTJ) academy, and increasing PTJ staff by about 50 percent. Panamanian Customs cooperated with a U.S. Customs Service survey of Panamanian gateways, and Panamanian law enforcement agencies participated in a joint maritime exercise.

The U.S. and Panama have bilateral agreements on ship boarding, maritime operations and essential chemicals. The PTJ has cooperated fully in providing data on transportation of precursor chemicals transiting Panama for illicit purposes. The GOP extradited three Colombian nationals to the U.S. in accordance with the 1904 bilateral extradition treaty and the 1961 Single Convention, as amended by the 1972 Protocol.

PARAGUAY

During 1992, the Government of Paraguay's (GOP) efforts to improve its counternarcotics capabilities focused on strengthening enforcement agencies and broadening the legal framework for anti-drug activities. In these efforts, the GOP cooperated with the United States Government.

A notable GOP policy initiative was the inclusion in the new constitution of Article 71, which requires the government to suppress the production and trafficking of narcotics, to fight money laundering, and to establish programs in drug education, prevention, and rehabilitation. The GOP, through its Anti-Drug Secretariat (SENAD), mounted some 30 major operations to disrupt marijuana cultivation and trafficking (most of Paraguay's marijuana harvests are exported and used in Brazil). Finally, the USG and the GOP initialled a financial information exchange agreement aimed at combatting money laundering. These measures demonstrate the GOP's intention to cooperate with the USG and that it is meeting the goals and objectives of the 1988 UN Convention.

There are, however, persistent reports of military corruption and allegations of government officials engaging in money laundering activities.

STATEMENT OF EXPLANATION

PERU

While the Government of Peru (GOP) has not made substantial inroads into the flow of cocaine base northward, it has brought to bear significant resources and political will in an effort to disrupt narcotics trafficking in the Huallaga Valley. In 1992, at President Fujimori's direction, the Peruvian armed forces took a more active role in counternarcotics enforcement, although counterterrorism continued to be their priority mission.

The April 5 suspension of constitutional democracy by President Fujimori hindered USG efforts to support Peruvian narcotics-related law enforcement and alternative development efforts in 1992. The strafing of a U.S. C-130 by Peruvian fighters (and death of one U.S. crewman) while on a Peruvian-authorized narcotics mission also complicated bilateral relations. Narcotics corruption remained a significant impediment to GOP counternarcotics efforts in the field.

Despite the suspension of USG military and economic assistance, the GOP significantly increased the number of army engineering battalions assigned to counternarcotics alternative development missions in the Huallaga region and made substantial budgetary contributions to narcotics-related alternative development, including \$8.75 million for road rehabilitation, community development and civic action. Peruvian National Police narcotics unit increased its seizure rate by 50% over last year and improved the quality of its intelligence. The Peruvian Air Force (FAP) established an air defense zone command at Santa Lucia, assigned counternarcotics interceptors to the base, and deployed 50-man security units to seven key municipal airstrips to prohibit their use by narcotrafficking aircraft. By late December, it had resumed participation in a major air interdiction program.

Consistent with the 1988 UN Convention, the GOP issued new legislation to make money laundering a crime and expand controls on essential chemicals. The GOP is taking steps to address the goals and objectives of the 1988 UN Convention on other fronts as well.

Peru must surmount major obstacles such as human rights abuse, terrorism, a depressed economy and corruption in order to implement an effective long-term counternarcotics policy. Against this backdrop, the Fujimori government displayed a greater willingness to use the limited resources at its disposal for counternarcotics activities. Results, however, were limited, particularly in relation to the size of the problem.

STATEMENT OF EXPLANATION

THAILAND

While no longer a major source country for opiates (its production potential was estimated as 24 mt of opium in 1992), Thailand remains the primary conduit for heroin from the Golden Triangle sold in the United States. Thailand began to address some of its problems with the August 1991 passage of narcotics conspiracy and forfeiture laws; in 1992. the first arrests were made under these statutes, but the cases have not yet come to trial. In 1992, the Police Narcotics Suppression Bureau was made a separate organization within the National Police and grew to over 500 officers, and Thai authorities arrested 52 major traffickers, compared to 32 in 1991. A new extradition treaty with the United States came into effect in May 1991, and the exchange of instruments of ratification of a Mutual Legal Assistance Treaty is expected early in 1993. Widespread police corruption, expanding cross-border trade with Burma, and the involvement of influential Thai and Sino-Thai tycoons in the narcotics trade with the connivance of some Thai officials are serious impediments to more effective counternarcotics action. Thailand is also of concern as a potential money-laundering center.

While there are serious flaws in Thailand's counternarcotics effort, Thailand is devoting increased resources of its own to narcotics interdiction, public education, and drug treatment. It has sought to encourage regional cooperation with Laos and Burma, works well with Malaysia, and continues to cooperate actively with U.S. law enforcement agencies.

Thailand has in place nearly all the laws and regulations needed for it to accede to the 1988 UN Convention. RTG policy initiatives plus accession to the Convention will mean that Thailand has moved significantly toward meeting the goals and objectives of the Convention.

STATEMENT OF EXPLANATION

VENEZUELA

Venezuela is a significant transit country for cocaine, chemicals and, on a smaller scale, heroin. Although domestic GOV seizures in calendar year 1992 totalled slightly more than 3 mt, seizures outside Venezuela of drugs transshipped from Venezuela totalled more than 30 mt. Venezuelan law enforcement agencies provided information leading to many of the seizures. Venezuela is a Colombian drug trafficker hub.

Pervasive corruption and money laundering remain acknowledged problems in Venezuela and are serious impediments to effective law enforcement activities against narcotics trafficking. While the GOV is making an effort to deal with these problems, much remains to be done.

The Government of Venezuela (GOV) supported stronger bilateral counterdrug cooperation with the USG during 1992. Cooperation with the Judicial Technical Police and the Directorate of Intelligence and Prevention Services led to significant seizures of drugs and documents inside and outside Venezuela. The GOV evidenced its commitment to rid Venezuela of traffickers when it expelled to Italy the Cuntreras brothers, three suspected members of an international cocaine trafficking ring.

The GOV, which participated in the 1992 San Antonio Summit, is a signatory to the 1988 UN Convention. The GOV has performed effectively in complying with the interdiction goals of the Convention; however, it has fallen short on money laundering and chemical controls because it lacks legislation criminalizing money laundering or regulating commerce in precursor and essential chemicals. The GOV does, however, require Venezuelan banks dealing in foreign exchange to maintain cash transaction reports, and it is working towards fulfilling UN Convention requirements to control specific chemicals. The GOV has signed, but not fully implemented, agreements with the USG on case-specific asset sharing, drug awareness, and maritime cooperation. In 1992, Venezuela worked with Colombia to combat drug trafficking along their common border.

Anti-narcotics initiatives announced by President Carlos Andres Perez in mid-1991 were not fully carried out, largely because of two coup attempts, February 4 and November 27, 1992. The GOV's concern with public order overrode the implementation of the proposed national strategy and creation of the operational unified drug command. Problems with a key GOV counterpart (the National Guard) caused the USG to shift assistance programs to new entities.

JUSTIFICATION FOR A NATIONAL INTEREST WAIVER

AFGHANISTAN

The USG estimates that opium poppy cultivation in Afghanistan, the second largest producer in the world, increased 12 percent in 1992, from 17,190 hectares in 1991 to 19,470 hectares in 1992, potentially producing 640 metric tons of opium. Increases in opium production in 1992 may be attributed primarily to deteriorating economic conditions which pressure farmers — and returning refugees — to produce more opium for a cash crop. Afghan opium is principally refined into heroin in illegal labs operating in Pakistan's Northwest Frontier Province. About 20 percent of the heroin consumed in the U.S. comes from Southwest Asia, particularly Afghanistan and Pakistan, while most of the heroin exported from the region is destined for European markets.

In official contacts, the Government of Afghanistan (GOA) has assured the USG that it will undertake a strong anti-narcotics policy, recognizing that it is in the nation's own interest. In October 1992, the GOA published a decree establishing an Inter-Ministerial Counternarcotics Commission with an initial mandate of formulating a national counternarcotics strategy. Representatives from Afghanistan participated in two UN counterdrug conferences in 1992. There are indications that regional commanders in Afghanistan are taking nascent steps to combat drug production, trafficking and abuse. While the signs are good, the USG does not have a diplomatic presence in Afghanistan and therefore cannot accurately evaluate Afghanistan's practical progress in implementing the 1988 UN Convention, which the country ratified in 1992. However, it appears that progress is too limited to warrant certification.

Despite signs of interest in drug control, the Afghanistan Government's professed good intentions are hampered by political instability, competing priorities, insufficient resources and, most importantly, lack of authority in the hinterland much beyond Kabul. However, U.S. policy objectives for the region, including Afghan narcotics control and national stability, justify a national interest waiver certification for Afghanistan. If allowed to flourish, the drug trade in Afghanistan will threaten the country's move towards democracy, undermine the security of surrounding countries, and increase the potential supply of drugs reaching the U.S. market. A national interest waiver paves the way for enhanced U.S. assistance to Afghanistan, when the timing is right, aid which could help reestablish national stability. U.S. vital national interests in Afghanistan outweigh the USG's interest in insisting upon full counternarcotics cooperation with the GOA under current circumstances.

In September 1992, the USG concluded an agreement for a small cross-border narcotics control project with a non-governmental organization in Kandahar province. The U.S. hopes to conclude additional arrangements for the provision of financial assistance to combat illegal drugs with the central government and/or regional leaders and organizations when they are fully able to participate.

JUSTIFICATION FOR NATIONAL INTEREST WAIVER

LEBANON

Lebanon is a major drug producing and trafficking country. In addition to traditional hashish production, opium is cultivated and processed into heroin in Lebanon, and Lebanese traffickers have become increasingly involved in the cocaine trade.

Since 1976, Syrian troops have occupied Lebanon's Biqa' valley, and they constitute the only formal security authority in this area. Following a harsh winter that destroyed large areas of the opium and cannabis crops in the Biqa' Valley, there were signs of greater cooperation between Syria and Lebanon to control drug production and trafficking in the region. Syrian forces worked with Lebanese authorities to eradicate remaining opium and cannabis cultivation, and to enforce the Lebanese Government's ban on further cultivation of illicit crops. However, the area continued to be a major center for processing heroin.

The political situation in Lebanon continues to impede effective counternarcotics efforts by the Lebanese Government, and to hamper its capacity to cooperate fully with the USG on narcotics control matters. It is not possible for the Lebanese Government to advance significantly the goals and objectives of the 1988 UN Convention in any meaningful way because it lacks control in the Biga Valley.

Nonetheless, vital U.S. national interests — in maintaining peace and stability in the region and preserving the territorial integrity of Lebanon — would be damaged by a weakening or collapse of the Lebanese Government. These vital national interests would be placed at risk by a cessation of U.S. assistance, and this risk outweighs the USG's interest in insisting upon full counternarcotics cooperation from the Government of Lebanon under current circumstances. The United States seeks to retain the flexibility to respond to Lebanon's legitimate needs for economic and developmental assistance.

STATEMENTS IN SUPPORT OF DENIAL OF CERTIFICATION

BURMA

Despite frequent public statements and some law enforcement actions, the Government of Burma has not undertaken serious or sustained counternarcotics efforts since 1988. While estimated opium production dropped slightly, the drop was accounted for entirely by a decline in an area controlled by an ethnic insurgency group in active conflict with Rangoon. Production elsewhere in the country increased marginally.

The Government's political and military accommodations with some of the insurgent/trafficking groups continued, with no indication of the reduced opium reduction which the government claims is the goal of these arrangements. Indeed, these relationships appear to continue to facilitate the drug operations of the armed traffickers. Burma did enter into separate tripartite agreements with the United Nations Drug Control Program (UNDCP) and Thailand, China and Laos for long-term narcotics control projects. However, the projects have yet to make meaningful progress and are on such small scale that in themselves they can only hope to serve as models. Burma has permitted a small-scale opium yield survey by U.S. researchers, but refused to fulfill a commitment to conduct a baseline aerial survey of the UNDCP project areas.

The GOB is a party to the 1988 UN Convention, but made reservations on extradition and the submission of disputes to the World Court. The GOB in January, 1993, promulgated a new narcotics law designed to move Burma towards conformity with the 1988 UN Convention. The new law appears to meet several of the goals and objectives of the Convention, but it is too soon to know how the military government will interpret and enforce the new legislation, which will be more significant than the text itself.

IRAN

The Government of Iran (GOI) did not cooperate in illegal drug control with the United States in 1992. However, the GOI did engage in some counternarcotics arrangements with the UN and cooperated in some law enforcement areas with certain neighboring countries. While the Iranian authorities made certain claims of counternarcotics activity, the USG's information to confirm this activity is not such that the USG is able to certify Iran under current U.S. law. Nor can the USG evaluate the extent to which the GOI has advanced the goals and objectives of the 1988 UN Convention which it ratified in 1992, but we believe the extent is minimal.

Iran is historically a transshipment point for opium and heroin from Pakistan and Afghanistan destined principally for Europe. Although the GOI maintains that opium poppy cultivation has been eradicated, the USG estimates that cultivation continued at a level of 3,500 hectares in 1992 with a potential opium yield between 35 and 70 metric tons.

SYRIA

Syria is a transit country for illicit hashish and heroin and a suspected site for refining of small amounts of opium into heroin. Following a harsh winter that destroyed large areas of the opium and cannabis crops in the Biga' valley, there were signs of greater cooperation between Syria and Lebanon to control drug production and trafficking in the region. Syrian forces worked with Lebanese authorities to eradicate remaining opium and cannabis cultivation and to enforce the Lebanese Government's ban on further cultivation of illicit crops. However, the area continued to be a major center for processing heroin.

There were continuing credible reports of involvement by Syrian military officials in the drug trade. Syria has not taken effective measures to prevent and punish the corruption of senior government officials that facilitates production, processing, or trafficking of narcotics.

The Syrian Government did little to meet U.S. concerns about the involvement of its officials in facilitating the Lebanese drug trade, nor did it take adequate steps to justify counternarcotics certification.

United States Department of State
Bureau of International Narcotics Matters



International Narcotics Control Strategy Report

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POLICY AND PROGRAM OVERVIEW FOR 1992

April 1, 1993

In 1992, despite some setbacks, the international anti-drug effort gained further strength, forcing a highly adaptable international drug trade to shift tactics and operations. Under the leadership of the United States, more countries have joined the battle against the drug trade in earnest. Closer coordination between governments--particularly in training and police enforcement activities-- increasingly effective multilateral action against money laundering and essential and precursor chemicals, as well as continuing reforms of national legal regimes to meet the requirements of the 1988 UN Convention, have kept the major drug trafficking organizations on the defensive.

There has also been some inevitable bad news. Despite stepped-up programs, hundreds of tons of cocaine and heroin continue to flow to the United States and to Europe, while consumption rises in Latin America. The Western Hemisphere's most notorious cocaine trafficker, Pablo Escobar, still on the loose after his July 1992 escape from a Medellin prison, has launched a campaign of terror and violence. While Peru's coca cultivation has remained stable over the past two years in areas where the government has control, growers have begun planting coca in isolated areas less accessible to the authorities. As a result, the crop may be expanding. In Europe and Central Asia, the break-up of the old Soviet empire has opened new frontiers for venturesome drug traffickers, as the free market economy offers the potential of new drug markets in the former Soviet states. There are reports that ethnically based smuggling rings from the Baltics to Kazakhstan are gearing up to cash in on the heroin flowing abundantly from Southeast and Southwest Asia.

If there appears to be a loss for every gain in the drug war, it is largely because an annual review looks at progress in a relatively narrow slice of time and tends to obscure long-term progress. Long-term gains such as stronger anti-drug cooperation between governments, reduction of drug crops, tightening of money laundering restrictions and curbing chemical shipments do not always make exciting reading. Yet the drug trade knows that without a steady source of drugs, money and chemicals it cannot long survive. More than anything, trafficking organizations fear concerted action across borders by governments committed to attack the grower-to-user chain at every link. It is in these areas that there has been progress in the international anti-drug effort; it is also in these areas where greater efforts need to be made.

Close cooperation at the highest levels between the United States and the governments of the major drug producing and transit countries in the Western Hemisphere has intensified pressure on the cartels. The February 1992 San Antonio Drug Summit broadened the multilateral cooperation initiated at the earlier Cartagena summits by linking the Andean nations, Mexico, and the United States against the trafficking organizations.

There is now an acknowledged community of interest at the highest level of the key drug-affected governments. Multilateral air control operations between the USG and Andean governments, as well as bilateral counternarcotics assistance programs with all the front-line drug countries, are forcing traffickers to delay shipments and switch transportation methods and routes more frequently to stay in business. Fewer seizures in 1992 of multi-ton air shipments of cocaine suggest that trafficking organizations may now be relying more heavily on sea and land transport to move cocaine to the United States.

Unlike other illicit drugs which grow in almost all regions of the globe, significant coca cultivation is confined to Peru (61 percent), Bolivia (21 percent) and Colombia (18 percent). In 1992, for the third successive year, overall coca cultivation has been kept from expanding. One should bear in mind that until 1989 the Andean coca crop had been increasing annually at a rate of 10 to 20 percent, despite active crop suppression programs. Without these, coca cultivation probably would have doubled. At the end of 1992, an estimated 211,700 ha of coca were under cultivation, the same amount estimated to be growing in 1990. While this number is 3 percent higher than last year's estimate of 206,000 ha, it falls within the statistical margin of error of the estimating process.

This levelling-off is particularly important in light of Peru's unwillingness to attack coca fields in the insurgent-infested Upper Huallaga Valley, Bolivia's inability to meet its coca eradication quota, and Colombia's decision to divert suppression resources in part from coca to its rapidly expanding opium poppy fields. Even with such impediments, the major coca-producing countries have managed to hold down the spread of coca. This indicates growing political commitment on the part of the governments of those countries.

Chemical Controls

An important area in which the international community is making progress is the control of the chemicals necessary for drug refining. Without adequate supplies of chemicals such as ether and acetic anhydride, coca leaf and opium gum cannot be transformed into cocaine or heroin. For this reason, regulation of legitimate commerce to deny traffickers the chemicals they need is one of the most valuable tools in the battle against drug criminals.

The USG has been a pioneer in organizing an international effort to keep such chemicals from the drug trade. The US-chaired Chemical Action Task Force (CATF) has developed and gained widespread international acceptance of a set of measures to be incorporated into national chemical regulatory regimes to bring countries into compliance with the chemical control provision of the UN Convention. Encouraging progress was made in 1992 in the adoption of regulatory regimes incorporating these measures. The European Community amended its chemical regulation to make such measures binding on Community members on January 1, 1993. Japan, in mid-1992, adopted a chemical regulatory regime based on the CATF measures. The Andean cocaine producing countries and many other Latin American countries have chemical regulatory regimes based on the CATF measures and the more comprehensive Organization of American States (OAS) Model Chemical Regulations.

In 1992, an international working group, led by the UN's International Narcotics Control Board, prepared a set of practical guidelines based on the CATF measures for governments to follow in drafting and implementing chemical regulatory regimes. The CATF has established a policy framework to identify changes that may be required in chemical regulatory regimes to attack new methods of using chemicals and new diversion techniques, and to bring under control chemicals being used as substitutes for regulated chemicals. Success will, of course, depend on effective implementation of these chemical controls, but these steps are encouraging.

Persistence and Success

In spite of the ground gained over the past few years in all these areas, the illegal drug trafficking industry continues to be strong, rich, and able to adapt to changing circumstances. We are dealing with some of the best-financed, best-armed, and most ruthless organizations in the world. These groups have the wherewithal, the experience, and the determination to exploit the weaknesses of governments beset by economic crises, political instability and social unrest. While there is no question that the trafficking organizations have suffered from concerted government action, they have also shown that they can absorb heavy losses and still thrive. Success depends on an integrated attack, sustained over time, on every stage of the drug-producing, marketing and distribution process.

Corruption and Political Will

The international anti-drug effort is in many ways a collective assault on drug-generated corruption, which left unchecked could destroy democratic governments already sapped by internal economic and social crises. Since the only defense against such corruption is a strong sense of national political will and purpose, a main objective of USG anti-drug policy is to help strengthen political will in the most vulnerable front-line drug countries.

Although any lucrative criminal enterprise can threaten order in a country with underpaid law enforcement or military officials, the drug trade, because of its enormous wealth, poses a threat of a much greater magnitude: drug profits can carry corruption to the highest levels of government. Cocaine and heroin are currently the most abundant, lucrative commodities in the world. Cultivation is cheap, processing relatively simple, and profit margins enormous. At average street prices of \$100 a gram, a metric ton of cocaine is worth \$100 million once in the United States. By this measure, the estimated 150-175 mt of cocaine alone which the US market consumes annually would put as much as \$15-\$17.5 billion into criminal hands. The cartels therefore have access to sums of money available to few governments, and, unlike governments, they are not accountable to any authority except themselves for the way in which they spend their funds.

It is clear that those countries most affected by the drug trade are engaged in a defense of national sovereignty against very powerful enemies. With billions of dollars available to them, traffickers, often allied with insurgent groups, are theoretically in a position to buy themselves a controlling interest in governments which they cannot overthrow by force. A major goal of US anti-drug policy is to ensure that this does not happen. By supporting those democratic governments which show the necessary political resolve to take on the drug cartels, the United States is investing in the future democratic stability of the hemisphere.

Such an investment, however, can only pay dividends when it supplements another government's determination to carry out its own anti-drug campaign. The USG can only help another government fight the international drug trade; it cannot do the job for it. Front-line governments must attack drug corruption out of genuine national self-interest. Where governments have realized this, there is progress against the drug trade; where they have not, the traffickers prosper.

Demand Reduction

At one time, many important drug source countries took comfort in a sense that drug addiction was a rich country's disease. There was a belief that poor countries were immune to the type of drug epidemic which fueled international demand for cocaine and heroin. Experience, however, has taught otherwise. All of the major drug-producing and transit countries now have significant, often expanding, addict populations, which not only sap the political, social and economic stability of a nation, but offer new markets to the drug trade. The USG has been working with many of these countries to reduce demand and prevent drug abuse.

In 1992, the USG addressed the question of international demand reduction through continuing bilateral and multilateral efforts. Bilaterally, INM funded programs on training, public awareness and education in Latin America, Southeast and Southwest Asia. INM conducted bilateral programs in 1992 with the Bahamas, Brazil, Colombia, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Pakistan, Panama, Thailand, and Venezuela. Multilaterally, the USG worked closely with the European Community, the UNDCP, OAS-CICAD, the Colombo Plan and ASEAN on such projects as setting up regional demand reduction training centers in Argentina and Thailand and drug prevention services for "street children" in Brazil and Peru.

The United Nations

The USG has long had a close working relationship with the United Nations International Drug Control Program (and its predecessor UNFDAC) as part of the USG strategy to promote active anti-drug cooperation on a global scale. Most recently, the USG has intensified its efforts to engage the entire UN system, particularly the specialized agencies, indrug control issues. The USG has been working to further the aims of the UN System-Wide Action Plan on Drug Abuse Control (SWAP), adopted by the Economic and Social Council in 1990. The goal of the SWAP has been to make drug control an integral part of UN programs, especially those of the UN specialized agencies involved in development, health, labor and children.

1988 UN Convention

Seventy-two states have now ratified or acceded to the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, an increase from the 58 states reported in the 1992 INCSR. As of January 21, 1993, states parties to the Convention include: Afghanistan, Australia, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Bhutan, Bolivia, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, China, Costa Rica, Cote d'Ivoire, Cyprus, Czechoslovakia, Denmark, Ecuador, Egypt, France, Ghana, Greece, Grenada, Guatemala, Guinea, Honduras, India, Iran, Italy, Japan.

Jordan. Kenya, Luxembourg, Madagascar, Mexico, Monaco, Morocco, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Paraguay, Peru, Portugal, Qatar, Romania, Russian Federation, Saudi Arabia, Senegal, Seychelles, Slovenia, Spain, Sri Lanka, Suriname, Sweden, Syria, Togo, Tunisia, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Venezuela and Yugoslavia. The European Community confirmed Article 12. (See listing of countries later in this publication.)

COCAINE

Cocaine, particularly in its most addictive form crack, still poses the most immediate threat to the United States. While there has been encouraging data that cocaine use by certain sectors of American youth has dropped, hundreds of tons of cocaine continue to flow to the United States. As the nerve center of the cocaine industry, Colombia continued to play a pivotal role against the drug trade in 1992. The Gaviria government's decision in July to challenge the corruption which allowed drug lord Pablo Escobar to run his Medellin cartel out of a luxury prison was a sign of government determination to challenge a potential threat to its sovereignty. The Medellin cartel's violent response appears to have strengthened the government's resolve to put an end to the cartel's operations.

Throughout 1992, the Colombian government maintained an active enforcement and crop suppression program. Because the government had to shift limited resources from coca and cocaine control operations to destruction of the country's rapidly expanding opium poppy crop, year-end data for coca suppression and cocaine seizures were lower than projected. Nonetheless, they show progress. Area under coca cultivation dropped to 37,100 ha, a slight decline from 1991's estimate of 37,500 ha. Cocaine HCl seizures fell to approximately 32 mt from approximately 77 mt last year. To a large extent, the seizure rate was a casualty of shifting enforcement resources, including aircraft, to the anti-poppy campaign.

Although the Government of Bolivia only eradicated three-quarters of its 7,000 ha target for 1992, the country's coca cultivation showed a net decline and is now at its lowest in five years. At the end of 1992, there were an estimated 45,500 ha under cultivation, a 14 percent drop from 1989's high of an estimated 52,900 ha. This steady reduction underscores the importance of the combination of political determination and a regular crop control program in turning back the spread of an illegal drug crop. Even a modest display of political will can produce important results.

In counternarcotics operations, Bolivian enforcement actions led to record seizures of coca leaf, paste, base, and precursor chemicals. An important accomplishment was the seizure of approximately 50 mt of "agua rica" paste and base. "Agua rica", a weakly acidic suspension of cocaine which can apparently last indefinitely without spoiling, is a relatively new product. Since it can readily be converted into finished cocaine HCl, seizures of this magnitude have an important impact on drug flows.

Peru continues to be the country where counternarcotics progress faces its greatest challenges. Since Peru is also the source of the bulk of the drug trade's coca leaf, it is the key country in the anti-cocaine effort. Although more than 60 percent of the world's coca is cultivated in Peru, the Fujimori government has not taken effective anti-drug action in the face

of continuing insurgent violence, economic chaos and political uncertainty. Last year, Peru's coca cultivation rose by seven percent from an estimated 120,800 ha in 1991 to an estimated 129,100 ha in 1992. Most of the expansion was in insurgent areas. Unless the Government of Peru takes more aggressive action, further expansion of the Peruvian coca crop will offset hard-won gains in Bolivia and Colombia.

Enforcement authorities in Ecuador scored a major success in June 1992 by dismantling the Jorge Reyes Torres narcotics organization, one of the continent's important trafficking organizations. Thanks to an operation along the Colombian border in February, Ecuadorian police seized nearly 4 mt of cocaine, over three times the quantity captured in any of the previous years.

In Mexico, the Salinas government continued to pursue a vigorous anti-drug policy. Mexican authorities seized 38.8 mt of cocaine during 1992, as well as large amounts of marijuana and heroin. The Northern Border Response Force (NBRF), working closely with USG agencies, was responsible for a record 28.7 mt of cocaine, nearly 70 percent of the total seizures. Mexico also continued to make important reductions in its opium poppy crops.

Law enforcement authorities in most of the Central American countries have been carrying out active anti-drug efforts. Though the volume of drugs seized has been relatively small, in Honduras cocaine seizures tripled from half a metric ton in 1991 to nearly one-and-a-half metric tons in 1992. In Panama, in July 1992, government authorities seized 5.3 tons of cocaine in the Colon Free Zone, the largest single cocaine seizure to date in Central America and the Caribbean. Over 10 mt were seized in Panama in 1992. In Guatemala, anti-drug operations were responsible for the seizure of 9.5 mt in the country.

In the Caribbean, anti-drug actions continued to show results. In Jamaica, cocaine seizures rose from 60 kg in 1991 to nearly a half a metric ton in 1992. Although cocaine seizures dropped slightly in the Bahamas to 4.8 mt from 5.3 mt in 1991, they remain higher than in 1990. Since the government has maintained a high level of effort, the lower seizure rate may reflect a shift in modes or routes by the drug trade.

OPIUM

Amid signs that the US cocaine market may be levelling off, Latin American trafficking organizations appear to be looking to heroin as the drug of the nineties. In contrast to stimulants such as cocaine, which burn out their users in anywhere from a few months to a few years, a depressant such as heroin can be used over decades or longer periods. Heroin is also considerably more lucrative to the drug wholesaler than cocaine. Where a kilo of cocaine might fetch between \$15,000 and \$30,000 wholesale, an equal amount of heroin could sell for between \$180,000 and \$200,000. New forms of heroin are also showing up on the market. Although most heroin used in the United States is injected, the fear of AIDS and the convenience of eliminating hypodermic needles may enhance the appeal of the smokable variety, heroin No. 3.

Traditionally, most of the heroin consumed in the United States has come from Southeast and Southwest Asia (refined white heroin) or Mexico (brown tar). In the past few years, however, Colombian cocaine cartels apparently have been experimenting with diversification by cultivating opium poppies in the Andes. They have been expanding their operations rapidly. The estimated 2,300 ha discovered in Colombia in 1991 exploded to an estimated 32,000 ha in 1992. Thanks to an active and costly poppy spraying program, the Colombian government has destroyed an estimated 12,700 ha of the crop. While the remaining 20,000 ha theoretically could produce as much as 20 mt of heroin, it seems that the inefficiencies of the "learning curve" are keeping production low. Since some fields have also been found in Ecuador, and there are reports of incipient cultivation in Peru, the USG is working closely with the concerned governments to ensure that the opium industry does not gain a firm foothold in South America.

Such action is especially important because most of the world's opium grows in Burma, Afghanistan, and Laos, countries in which the USG and other Western governments have limited influence. If all its potential poppy cultivation were processed into heroin, Burma alone could satisfy the world's known demand for the drug. Since the break-up of the Soviet empire, there are indications that some of the Central Asian countries could also become illicit opium producers. Economic difficulties and the presence of well organized smuggling groups raise the specter of new heroin trafficking networks to Europe and perhaps the United States.

Another disturbing development is the emergence of Nigerian drug trafficking organizations which seek to control heroin distribution in the way that the Colombian cartels dominate the cocaine trade. There are reports of Nigerian drug couriers turning up in capitals from Tokyo to Addis Ababa, not to mention the growing numbers arrested annually by US Customs. The USG is working with the Nigerian government to curb the growth of an international "Nigerian connection," and focus enforcement efforts on Nigerian drug barons rather than on low-level couriers.

The good news in opium and heroin control is that in those areas where governments have been willing to destroy crops systematically, cultivation has declined markedly. Mexico's sustained crop control program over the past three years has reduced poppy cultivation to its lowest level in nearly a decade. As all significant reduction has taken place under the Salinas administration, there is a clear correlation between the exercise of political will and accomplishment. In Guatemala, there were also dramatic results from an aggressive crop control program. In 1992, with USG assistance, Guatemalan authorities virtually eliminated a crop which a year earlier potentially could have yielded nearly 12 mt of opium.

In Southwest Asia, there was limited progress in controlling opium production. Although Pakistan, which produces about one-fifth of the heroin coming to the United States, reduced opium poppy cultivation slightly, the government lost momentum in attacking traffickers. In 1992, there were only two prosecutions of major traffickers, while less stringent banking regulations made it easier for trafficking organizations to launder their profits. In Afghanistan, the second largest opium producer after Burma. poppy cultivation increased in 1992 by 12 percent. The USG is working with local Afghan leaders and other donor nations to help Afghanistan reduce its opium poppy cultivation.

In the Golden Triangle area of Burma, Laos, and Thailand, where three-quarters of the world's opium originates, total cultivation was down by approximately six percent, primarily as a result of weather. Burma, which continues to account for about 60 percent of potential worldwide opium and heroin production, took few effective measures to curb either poppy cultivation or heroin trafficking. Opium poppy cultivation expanded in some insurgent-controlled areas where previously Burmese government crop suppression campaigns had made important inroads. These are areas where the Burmese government reached a political accommodation with certain ethnic groups to permit poppy cultivation and drug trafficking. Burmese authorities have made only half-hearted attempts to curb the drug trade. Seizures remain insignificant, while major traffickers in some cases openly associate with senior military officials. The current Burmese government seems more interested in maintaining a truce with former insurgent groups linked to the drug trade than in curtailing heroin production. The USG continues to urge the Government of Burma to move against the trafficking organizations.

Laos, the world's third largest opium producing country, is the only one of the top three to reduce its potential opium production in each of the past three years. Thanks to USG and UNDCP assistance, better enforcement, and an active public information program, estimated opium production declined 13 percent in 1992 from 1991, bringing the total crop reduction since the initiation of USG and UNDCP-funded rural development/opium replacement programs in 1989 to 39 percent.

Once a source country for opiates, Thailand has sustained an active opium poppy crop control program, with total cultivation declining by 50 percent since 1989. Opium poppy hectarage in 1992 was at its lowest in more than twelve years. Thailand, however, remains the primary conduit for heroin from the Golden Triangle sold in the United States.

NEXT STEPS

Under USG leadership, the international anti-drug effort must continue to focus on the drug trade at its four most vulnerable points: at the source, in processing, in the distribution system, and in the financial area. Except for crop destruction at the source, the drug trade is most vulnerable in its finances, since not only are financial flows potentially subject to the greatest degree of intergovernmental control, but they lie at the heart of the enterprise. The drug cartels are part of a large money-generating machine, which itself is fueled by money. Without fuel, the machine can neither function nor produce more money. If through joint action concerned governments can cut the flow of illicit drug money for long enough, they can deal a strong blow to the drug trade.

More effective action and cooperation with other countries in the Chemical Action Task Force is also important in order to deprive the drug processors of the chemicals they need to transform raw materials into finished drugs. The USG will continue to support OAS efforts to foster adoption and effective implementation of the OAS model regulations on precursor chemicals controls and on money laundering and asset forfeiture. The USG will also work with the UNDCP and OAS/CICAD in strengthening the judicial systems of Latin American and Caribbean states.

Reducing the demand for drugs overseas will continue to be an important focus of USG anti-drug policy, helping developing countries reduce or prevent the growth of addict populations. While the USG will strengthen its bilateral demand reduction programs, it will also promote a strong United Nations effort, working with the major industrialized countries to implement the UN's System-Wide Action Plan. We will give special attention to working with the UN specialized agencies such as UNICEF to promote effective drug abuse prevention programs in those countries of Latin America where large numbers of young people, especially "street children," are at risk.

While promoting short- to medium-term success requires assistance from the United States, Europe, and other donors, long-term progress in suppressing the drug trade depends on the commitment of the front-line drug countries themselves. The drug trade has prospered because for many years the major drug-producing and transit countries felt neither responsible for or threatened by the drug problem. In less than a decade, attitudes have altered dramatically. The front-line drug countries recognize the threat which the drug trade poses to their national sovereignty. Only a few, however, have the economic resources and political determination to crack down on the drug trade on their own.

We must work to change this situation. Although the USG will provide the leadership, as well as many of the resources, in attacking the international drug trade, we cannot be the sole driving force. The front-line drug producing and transit countries themselves must take the initiative to protect their national sovereignty by attacking drug-related corruption before it undermines the core of democratic government. They must strengthen judicial and legislative institutions partially tainted by drug money, as well as reform financial institutions to prevent money laundering. They must also focus on the damage which drug consumption is doing among their own youth and create effective demand reduction and treatment programs to protect a generation which otherwise could be lost to addiction.

In summary, success depends on joint action driven by individual national commitment. If we can build on our achievements in denying the drug trade the necessary raw materials, in restricting its area of operations, and, more importantly, in eliminating any useful market for its products, in a few years we may be able to downgrade illicit drugs from serious threat to manageable nuisance.

STATUS OF POTENTIAL WORLDWIDE PRODUCTION

In weighing the figures below, one must bear in mind that they are theoretical. They represent an estimate of potential production, the amount which the USG estimates could have been produced if, and only if, all the available crop were to be converted into finished drugs. Since these estimates make no allowance for losses, actual production is probably lower than our estimate. The figures shown are mean points in a statistical range.

Potential Opium Production. The estimate of potential opium production was down by approximately four percent in Southeast Asia, as opium poppy cultivation declined in the Golden Triangle countries. Burmese poppy cultivation dropped from an estimated 160,000 ha in 1991 to 153,700 ha in 1992. Estimated poppy fields under cultivation in Laos fell from 29,625 ha in 1991 to 25,610 ha in 1992, maintaining the downward trend of the preceding year. In Thailand, the 3,000 ha found in 1991 dropped to 2,050 ha in 1992.

Total estimated potential opium production for Southeast Asia fell from 2,650 mt in 1991 to 2,534 mt in 1992, a decline of about four percent. Estimated opium production in Burma dropped from 2,350 mt in 1991 to 2,280 mt in 1992. Laotian production dropped from an estimated 265 mt in 1991 to an estimated 230 mt in 1992. Thai production declined from 35 mt in 1991 to 24 mt in 1992, based on information from a December 1991-January 1992 opium yield study. A lower yield may also apply to Burma. If so, we will reduce the estimate of Burmese opium production accordingly.

This year, for the first, we are reporting on Russia, the Baltics, and the Central Asian countries formerly part of the Soviet Union. There are preliminary indications that some of these countries may be capable of producing important opium poppy harvests. The USG is currently conducting surveys, the results of which we hope to report upon in next year's International Narcotics Control Strategy Report (INCSR).

The only increase took place in Southwest Asia as a result of an expansion of Afghan poppy cultivation in 1992. Afghan hectarage increased from 17,190 ha in 1991 to 19,470 ha in 1992, bringing Afghanistan above its 1989 estimated hectarage of 17,790 ha. In Pakistan, opium cultivation decreased slightly from an estimated 8,205 ha in 1991 to 8,170 ha in 1992. The USG calculates that Afghan potential opium gum production rose from 570 mt in 1991 to 640 mt in 1992.

In Pakistan, estimated production dropped from 180 mt of opium in 1991 to 175 mt in 1992. Afghanistan's 640 mt and Pakistan's 175 mt combine with Iran's estimated 300 mt for a regional estimate of 1,115 mt of opium, up from 1991's Southwest Asian total of 1,050 mt.

In the Western Hemisphere, there has been progress as the major opium producing countries intensified their crop control efforts. In Mexico, where the government already has an active eradication campaign, opium poppy hectarage fell 12 percent, from an estimated 3,765 ha in 1991 to 3,310 ha in 1992.

Guatemala's active crop control program has reduced opium poppy cultivation to minimal levels. By the end of 1992, the USG was unable to detect any significant opium poppy fields.

In Mexico, there has been a drop from an estimated potential opium production in 1991 of 41 mt to 40 mt in 1992. In Guatemala, the estimate dropped from a potential 11.5 mt in 1991 to an insignificant amount in 1992. In Colombia, government authorities discovered nearly 33,000 ha of opium poppy under cultivation. After an active aerial spraying program, 20,000 ha remained, capable of potentially yielding perhaps 16 mt of opium gum.

Coca Cultivation. During 1992, the USG estimates that for the third consecutive year the overall hectarage of coca under cultivation remained stable. With the exception of Peru, where coca cultivation expanded by seven percent to 129,100 ha, cultivation was down among the major coca producers. Bolivia's 47,900 ha of coca under cultivation in 1991 declined to 45,500 ha as a result of the government's eradication program. In Colombia, cultivation fell slightly from 37,500 ha under cultivation in 1991 to approximately 37,100 ha in 1992.

Coca eradication took place on the largest scale in Bolivia, where the government eliminated 5,149 ha through its eradication program. Colombia eradicated 959 ha of coca. While eradication of mature plants was negligible in Peru, the government helped contain crop expansion by destroying seedbeds potentially capable of producing nearly 6,138 ha of coca. Because coca is cultivated in inaccessible areas of Brazil, its extent is unknown. Ecuador has only negligible amounts of coca.

Cocaine Yield Estimates. Last year, the INCSR reported that revisions in estimated processing efficiencies (by which coca leaves are harvested and processed into cocaine HCl) in the Andean region had led to a significant increase in the estimated amount of cocaine potentially available in that year. Additional information this year indicates that processing efficiency continued to improve.

In 1992, taking into account estimates of local consumption and local seizures, the USG calculates that if virtually every coca leaf were converted into cocaine HCl, and there were no losses because of inefficiencies, bad weather, disease, or the deterrent effects of law enforcement, between 955 and 1,165 mt of cocaine theoretically could have been available from Colombia, Bolivia, and Peru for worldwide export. This figure includes between 650 and 695 mt potentially available from Peru, 245 to 410 mt potentially available from Bolivia, and approximately 60 mt potentially available from Colombia. In publishing these ranges, we repeat our caveat that these are theoretical numbers, useful for examining trends. They do not represent what is actually available. That amount remains unknown.

Consumption data

Most of the chapters in this report contain some user or consumption data. For the most part, these are estimates provided by foreign governments or informal estimates by USG agencies. There is no way to vouch for their reliability. They are included because they are the only data available and give an approximation of how governments view their own drug abuse problems. They should not be considered as a source of data to develop any reliable consumption estimates.

The cocaine yield figure is offered with the same caveat as the crop harvest yield data: it is a figure representing **potential** production. It is a theoretical number. It does not allow for losses or the many other variables which one would encounter in a "real world" conversion from plant to finished drug. The amount of cocaine HCl actually produced is probably lower.

Marijuana Production. Cannabis cultivation has dropped in most of the major marijuana producing countries. Thanks to an intensive eradication effort, estimated potential Mexican marijuana production declined in 1992 to 16,420 mt from a potential 17,915 mt in 1991. Colombia's potential crop has remained steady at an estimated 2,000 mt. Within Colombia's traditional cannabis growing zones, where intensive eradication was carried out in previous years, virtually no measurable growth was detected in 1992.

In Jamaica, government eradication programs, carried out with USG assistance, destroyed over 800 ha of cannabis. The estimated potential yield for 1992 was approximately 263 mt, substantially less than 1991's estimate of 641 mt.

We recognize that there may be considerable undetected cannabis cultivation in Central and East Asia. As we gather more accurate information, we will report on it in future INCSRs.

Worldwide Cultivation Totals

		1992			1991	
		Hectares			Hectares	
Country	Cultivated	Eredicated	Net	Cultivated	Eradicated	Net
Oplum						
Afghanistan	19,470	0	19,470	17,190	0	17,190
Iran	ne.	na	ne	ne	ne	n
Pakistan	8,920	750	8,170	8,645	440	8,205
Total SW Asia	28,390	750	27,640	25,835	440	25,395
Burma	154,925	1.215	153,710	161,102	1,102	160,000
Laos	25,610	0	25,610	29,625	0	29,62
Thailand	2.050	0	2,050	4,200	1,200	3,000
Total SE Asia	182,585	1,215	181,370	194,927	2,302	192,62
Colombia	32.715	12,715	20,000	2,316	1,156	1,160
Lebanon	32,713	0	ne i	3,400	0	3,40
Guatemala	1,200	470	730	1,721	576	1,14
Mexico	10,170	6,860	3.310	10,310	6,545	3,78
Total Other	44,085	20.045	24,040	17.747	8,277	8,31
Total Opium	255,060	22,010	233,050	238,509	11,019	226.33
Coca			7.			
Bolivia	50.649	5,149	45,500	53,386	5,486	47.90
Colombia	37,238	138	37,100	38,472	972	37,50
Peru	129,100	0	129,100	120,800	0	120,80
Ecuador	na	ma	na ·-	120	80	4
Total Coca	216,987	5,287	211,700	212,778	6,538	206,24
Marijuana						
Mexico	28.520	12,100	16,420	28.710	10,795	17,91
Colombia	2,000	0	2.000	2,000	0	2,00
Jamaica	1.200	811	389	1.783	833	95
Belize	320	266	54	320	266	5
Others	na	0	na	na	0	
Total Marijuana	32,040	13,177	18,863	32,813	11,894	20,91

Worldwide Potential Net Production 1989 - 1992

Country		1992	1991	1990	1989	1988
Opium	Т					
Afghanistan*	14	640	570	415	585	750
Iran	11	300	300	300	300	300
Pakistan	1.1	175	180	165	130	205
Total SW Asia	1:	1,115	1.050	880	1,015	1 000
1	13					1,255
Burma	1.1	2,280	2,350	2,255	2,430	1,280
Leos	19	230	265	275	380	255
Thailand	13	24	35	40	50	25
Total SE Asia		2,534	2,650	2,570	2,860	1,560
Colombia			27			
Lebanon]"[34	32	45	na.
Guatemala] [•	17	13	12	8
Mexico]	40	41	62	66	67
Total Above] [40	119	107	123	75
Total Opium]	3,689	3,819	3,557	3,998	2,890
Coca Leaf]-					
Bolivia]	80,300	78,400	76,800	77,600	78,400
" Colombia	П	32,000	30,000	32,100	33,900	27,200
Peru] [223,900	222,700	196,900	186,300	187,700
Ecuador	11	100	40	170	270	400
Total Coca Leaf	ا ل	336,300	331,140	305,970	298,070	293,700
Marijuana] [
Mexico] [7,795	7,775	19,715	30,200	5,655
Colombia]]	1,500	1,500	1,500	2,800	7,775
Jamaica			641	825	190	405
Belize		50	49	60	65	120
Others	J I	3,500	3,500	3,500	3,500	3,500
Total Marijuana	1	12,845	13,465	25, 600	36,755	17,455
Hashish] [
Lebanon			545	100	905	7 0 0
Pakistan			200	200	200	200
Afghanistan			300	300	300	300
Morocco			85	85	85	85
Total Hashish	\perp		1.130	685	1,490	1,285

^{*}DEA believes, based upon foreign reporting and human sources, that opium production Afghanistan may have exceeded 900 mt in 1992.

NOTES FOR PRODUCTION CHARTS

Opium Yield Information. An opium yield study conducted in Thailand from December 1991-February 1992 indicated that yield was about 28% lower than previously supposed. (11.6 kg/ha, instead of 16 kg/ha.) We have adjusted the Thai opium estimate to reflect this new yield. While there has been no comparable study in Burma, the USG believes that similar yields may apply in Burma. If this proves to be the case, we will reflect the change in a future INCSR.

Coca yield information. After analyzing field studies conducted in Peru and Bolivia, in 1991 we concluded that we were underestimating the potential yield of the coca crop in Bolivia and particularly in Peru. In 1990, we estimated the average yield for the entire coca crops in Bolivia and Peru as 1.6 and 1.14 metric tons per hectare, respectively, based on a small number of local sources. The 1991 analysis revealed that mature coca bushes--those that are two to fifteen years old and capable of producing full leaf harvests three or four times a year--have average yields of 2.7 metric tons per hectare in Bolivia's Chapare region and 2.3 metric tons per hectare in Peru's Upper Huallaga Valley. Mature plant yields elsewhere in these two nations appear to be 1.0 and 1.14 metric tons per hectare, respectively, close to our previous yield estimates for these other areas. New coca bushes—those planted in the last two years--have very low yields and are often not even harvested. Based on this analysis, we have been able to distinguish between new coca and mature coca in our cultivation estimates. We have calculated the potential dry coca leaf crop in Bolivia and Peru for each of the last five years by multiplying the average mature coca plant yield times the estimate of the hectarage of mature coca under cultivation. previous yield estimate for the lowland coca variety grown in Colombia--800 kilograms per hectare--is still believed to be accurate and is used to calculate that country's potential

The net effect of this analysis has been to increase the estimated potential dry coca leaf harvest in the Andean region by about one third in each of the last six years. The mature coca plant yield estimates highlight the fact that changes in dry coca leaf production will always lag behind changes in the area of coca under cultivation by two years.

The data for previous years in Bolivia and Peru have been adjusted to reflect a ratio of 1.14 mt of leaf per hectare, in place of an earlier ratio of 1.03 mt of leaf per hectare.

Comparison of Narcotics Certifications, 1988-1993 Certified as Fully Cooperating

8861	Belize	Brazil Burma		Ecuador Hong Kong	India Nong	Jamiaca	Malaysia	Morocco	Nigeria Pakistan	Peru	Thailand		8861					Colombia							Mexico							
6961	Belize	Brazil	ţ	Ecuador Hong Vona	India	Jamaica	Malaysia	Morocco	Pakistan		Thailand		6861	Bahamas		Bolivia		Colombia							Mexico				-	Peri		
0861	Belize	Brazil	Colombia	Ecuador Hong Vong	India	Jamaica	Malaysia	Morocco	Nigeria Pakistan			Certified as Fully Cooperating with a Statement	0661	Bahamas		Bolivia				_			Laos		Mexico				Panama	Paraguay	Thailand	
1861												Certified as Fully Coop	1991	Bahamas	Belize	Bolivia	1178711	Colombia	Ecuador	Guatemala	Hong Kong	Jamaica	Laos	Malaysia	Mexico	Morocco	Nigeria	Pakistan	Panama	Paraguay	Thailand	
2352													1992	Bahamas	Belize	Bolivia	China	Colombia	Ecuador	Guatemala	Hong Kong	Jamaica	Laos	Malaysia	Mexico	Morocco	Nigeria	Pakistan	Panama	Paraguay	Thailand	Venezuela
1993													1993	Bahamas	Belize	Bolivia	China	Colombia	Ecuador	Guatemala	Houg Kong	lamaica	Laos	Malaysia	Mexico	Morocco	Nigeria	Pakistan	Panama	Paraguay	Thailand	Venezuela

Certified on National Interest Grounds

8861	Laos Lebanon Paraguay		1288	Afghanistan	Iran	Panama Syria
द्धदा	Lebanon		6851	Afghanistan Burma	Iran	Panama Syria
7550	Lebanon	Denied Certification	1930	Afgbanistan Burma	Iran	Syria
1881	Lebanon	Denied	1391	Afghanistan Burma	Iran	Syria
7561	Lebanon		1992	Afghanistan Burma	Iran	Syria
1993 Afghanistan	Lebanon		1993	Burma	Iran	Syria

Until 1991, countries that were questionable in terms of whether or not they should be fully certified were certified with a special statement. This special statement usually indicated that there were problems with a country that needed to be watched. However, after Mexico complained about being certified in such a manner in 1990, the Department of State began certifying every country with an accompanying statement thereby removing any distinction between the certifications.

Compiled by committee staff, April, 1993

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Questions for the Record from May 11 Hearing for the Drug Enforcement Administration

International Narcotics Control Strategy Report and the Future of U.S. Drug Policy

General

- 1. DEA should be lauded for vigorously implementing its Kingpin Strategy. This type of targeted investigation of major networks and individuals involved in narcotics trafficking is what DEA does best and what will probably yield the best results in terms of making trafficking more difficult and more expensive. I do, however, have a couple of questions with respect to Kingpin.
 - Are any of the TKOs you identified in your statement Peruvian?
- No. All of the seven cocaine TKOs are Colombian. These organizations control about 80% of the cocaine which arrives in the U.S. The Colombians deal with and are supplied cocaine base by the most important Peruvian and Bolivian traffickers, most of whom play a subordinate role in the Colombian organization. This phenomenon is increasingly being referred to as the COLOMBIANIZATION of the base industries in Bolivia and Peru. We do not include Peruvian or Bolivian traffickers on the list since they work for the Colombians.
 - How does Peru fit in the KINGPIN strategy?

Peru plays a very important role. As is clear from the above, the Peruvians supply base to most of the Colombian TKOs. The Peruvians are therefore investigated and targeted as part of the production, chemical and transportation infrastructure of the TKOs.

Your statement indicated that two of the three TKOs you are conducting on heroin may have a significant impact in Europe as well as Canada; have we actively engaged European law enforcement in the KINGPIN strategy?

Yes. We are increasingly cooperating with our European counterparts, who have only in recent years become aware of the threat that the Colombian organizations represent to them.

If so, how?

Operationally, we have included the EC nations in operations such as Green Ice and others in which their role has been very significant. Additionally, DEA through our Country Offices, aggressively shares and exchanges information on a regular and continuing basis with our EC colleagues on investigations of mutual interest. We have also worked hard at making our EC friends aware of the Cartel threat by actively participating in Conferences and other appropriate fora, where we are often called upon to provide presentations concerning the cartels and their modus operandi. One such conference was conducted in early June by Interpol in Lisbon on Cocaine trafficking and Organized Crime in Europe. DEA sent a very senior delegation and provided two important briefings to the participants.

- 2. When Operation Snowcap began five years ago it was envisioned and explained as a temporary program to develop host nation capability to conduct interdiction and other enforcement operations. The committee fully supported that original concept, but also believes that it is past time that the United States stopped being so visibly in the lead in overseas enforcement efforts. So far, there has been little indication that Snowcap was moving in this direction.
 - When can the Subcommittee expect to see some progress in this regard?

The Committee has accurately summarized the vision and purpose of the original Snowcap concept and the Drug Enforcement Administration (DEA) is confident that they have not deviated from that concept.

In 1987, the host nations (HN) had no infrastructure to sustain any independent unit to combat narcotics trafficking in their respective countries. In reality, the United States Government (USG) had neither trained personnel nor the infrastructure in place to even support these HN's in this ambitious endeavor. To rectify this situation, DEA assumed the lead in training DEA Special Agents to not only operate in these rural environments, but also to assemble and train HN counterparts to assume the counternarcotics enforcement role in their respective countries. The role of establishing an infrastructure to support these units was assumed by U.S. State Department's Office of International Narcotics Matters (INM) through the Narcotics Affairs Section (NAS).

Since the inception of Operation Snowcap great strides have been made in the professional development of participating host nation police units. Through example, instruction, daily contact, and practical application, the police currently engaged in the Snowcap/Drug Suppression Program hold themselves to a higher standard in the performance of their duty. From improvements in basic investigative techniques, evidence handling, and the maintenance of informant files to positive gains against corruption, Snowcap trained and advised units function with an instilled pride and confidence not common among other local police agencies. Their improved discipline, dedication, and drive are constantly demonstrated.

As a direct result of this joint and cooperative effort, we see today the emergence of the UMOPAR counternarcotics force stationed at three permanent bases in Bolivia with an ability to control the Chapare region of the country. We see the establishment of the Santa Lucia base camp, in the heart of the Upper Huallaga Valley (UHV) in Peru which is staffed with a well equipped and well trained unit from the Peruvian National Police (PNP) who are currently conducting significant operations against

targets previously inaccessible to law enforcement authorities. Some specific examples of such significant activities and increased professionalism are as follows:

Peru: Recently, Peruvian Air Force and Peruvian National Police affiliated with Operation Snowcap/DEA Drug Suppression Programs demonstrated a significantly increased ability to conduct independent operations. One example of this was the seizure of two aircraft and \$1,000,000.00 in U.S. currency. The evidence was properly receipted and a call was made to the local Snowcap team leader for assistance in initiating follow-up investigation.

Bolivia: During the week of June 27-July 3, 1992, Bolivian police (UMOPAR) initiated operations supported by Snowcap Advisors seized and destroyed 57 cocaine base laboratories in a once lawless area of Bolivia called the "Red Zone." This operation was an extension of a highly successful joint United States-Bolivian law enforcement effort called GHOST ZONE.

The goal of this process has been to build effective, stand alone law enforcement institutions in cooperating nations. The foundations for these institutions are developing, but work remains to be done. The DEA sponsored Snowcap Advisory Teams continue to pursue this objective through advice, counsel, and "leading from the rear" with the intention that some day the respective host nation counterparts will be ale to undertake the challenge of drug law enforcement on their own.

Is Snowcap still designed to make host countries self-sufficient with respect to law enforcement efforts?

It has always been DEA's intention to make host countries self sufficient in the field of narcotics law enforcement. This, however, is not an expectation that is accomplished over the short term. It took DEA twenty years to reach its current level of narcotics expertise and it would be less than fair for the USG to expect HN's to reach an acceptable level of expertise in less than five years. DEA Special Agents assigned to the Snowcap program are constantly training, evaluating and nurturing these relatively net HN narcotics enforcement units and these units are willing to learr and are receptive to USG policy because Special Agents are enduring the same hardships as the HN personnel while in the field. Snowcap Special Agents enjoy the reputation of being individuals who teach through example.

Can you give us some assurances as to when Snowca operations will be significantly scaled back of redirected to the more traditional DEA-type activities.

DEA Special Agent personnel have been and will continue to ${\tt E}$ scaled back to accommodate USG and country team policy with the understanding that a newly formed and highly trained HN force will maintain or increase current field operations.

- 3. The Committee was also concerned that after the self-inflicted coup of President Fujimori in Peru, keeping Snowcap agents in Peru was both a bad signal to send to President Fujimori and a waste of valuable DEA assets.
 - Can you tell us what keeping Snowcap agents in the Upper Huallaga Valley has accomplished in the last year?

Since the Fujimori coup, counterdrug operational support and cooperation between Peruvian authorities and Snowcap teams remains unchanged. The Peruvian Air Force and Marine Corps have joined in operations greatly expanding the capabilities of the Snowcap team consisting of 10-12 men planned and coordinated law enforcement operations with the PNP that resulted in the seizure of 108 cocaine base labs, 5.8 metric tons of cocaine base and the arrests of 77 defendants, to include the first ever GOP indictment of a major violator. In our most recent endeavor in March 1993, a 60-man PNP/DEA Snowcap team raided an operating cocaine HCl laboratory associated with Pablo Escobar. It is an excellent example of the contribution that Snowcap can make to implementation of the "production" vulnerability of the Kingpin strategy when given sufficient airlift to reach the production sites to where the traffickers have fled.

Why do you think it was worthwhile keeping these agents in Peru?

Without a viable law enforcement program in Peru, there cannot be an effective counterdrug strategy in the Andes. Snowcap Operations in Bolivia and Peru pursue the Kingpin/Linear Strategy by attacking the vulnerabilities of transportation and production. The intelligence alone gathered by the Snowcap teams has contributed invaluably to understanding the magnitude of cocaine base smuggling situation. One Snowcap team in Peru has totally disrupted and decentralized the cocaine base production network in a country where 60% of the worlds cocaine originates. At the same time these 10-12 U.S. Agents have instilled a pride and professionalism in their counterpart police officers never before seen in Peru.

In addition, our presence has contributed to the integrity of law enforcement operations in the UHV by the PNP and allowed them to continue to function in the face of trafficker corruption and influence.

- 4. There have been some concerns over the past few years that inadequate attention and funding have been devoted to intelligence efforts both in terms of U.S. efforts and in developing host nation efforts. Both DEA and INM have limited resources for developing host nation capabilities. In addition, there has appeared to be some degree of friction and inter-agency rivalry between the various U.S. law enforcement and intelligence agencies. This inter-agency rivalry has also appeared to result in a duplication of efforts.
 - What is the status of intelligence-related cooperation between U.S. agencies?

Cooperation between the law enforcement and intelligence communities is developing into a cooperative and productive relationship. DEA and the CIA's/Counternarcotics Center, for example, have developed a mutually beneficial working relationship which supports DEA's Kingpin Strategy.

Institutional differences and misunderstandings between the law enforcement and intelligence communities concerning the collection, storage, dissemination and use of drug-related information are being discussed. Many questions which relate to data exchange, retention of U.S. citizen data by DoD and IC agencies, and utilization of drug intelligence for law enforcement purposes, remain unanswered.

- What is the mechanism within the U.S. Government for coordinating narcotics-related intelligence efforts?

Although there is no single mechanism which coordinates drug-related intelligence efforts, there are several ongoing programs which assist in orchestrating counterdrug activities. Examples follows:

DEA works closely with the CIA's Counternarcotics Center to ensure law enforcement and intelligence community activities are complementary. This cooperation has resulted in direct and useful intelligence community support to DEA's Kingpin Strategy.

Through participation in intelligence community working groups responsible for HUMINT, SIGNIT, and IMINT, DEA is able to task national level systems to obtain intelligence as well as technical assistance.

DEA has assigned Special Agents as liaison officers to the various intelligence centers including JTF 4, 5, 6 and NORAD, as well as military commands such as SOUTHCOM. These liaison officers greatly assist in focusing Department of Defense activities on the needs of the law enforcement community.

In the arena of tactical intelligence resources, the El Paso Intelligence Center (EPIC) serves as the Federal Government's primary mechanism for the collection, analysis and dissemination of drug movement related intelligence.

- What is the relationship between DEA's El Paso Intelligence Center and the recently-operational National Drug Intelligence Center?

Presently, there is no formal or informal relationship between the El Paso Intelligence Center (EPIC) and the National Drug Intelligence Center (NDIC). The database systems currently accessible by EPIC, however, comprise the majority of systems deemed by NDIC as necessary for NDIC's successful operation.

EPIC, established in 1974, is the drug enforcement community's tactical drug intelligence center. EPIC also plays a significant role in producing operational and strategic drug movement-related intelligence to include trafficking organizations for operators and policy makers.

EPIC is a multi-agency organization which includes eleven Federal law enforcement agencies, as well as elements of the Department of Defense, the Department of State, and agencies of the Intelligence community. Additionally, EPIC has formal relationships with local law enforcement agencies in all 50 states, Puerto Rico, Guam and the Virgin Islands.

The mission of NDIC is to collect and consolidate multisource drug intelligence data to produce organizational and strategic intelligence analyses for use by National policy makers, diverse law enforcement entities, and the intelligence community; to promote information sharing among these entities; and to develop compatibility standards for drug intelligence information collection systems.

5. Operation Support Justice has been ongoing, in various iterations for almost two years. This DOD detection and monitoring effort has apparently produced little in the way of tangible results on the interdiction side. The current iteration of Support Justice, which is costing approximately \$3 million a month, is scheduled to end this week.

-Since the exercise is nominally designed to support law enforcement efforts, how would you rate the effectiveness of Support Justice?

DEA sees a need for Support Justice type operations in the Andean region to target cocaine source operations and to assist host nation law enforcement. For this reason we have argued for a U.S. interagency review of Support Justice objectives and endgame connectivity prior to extension of operations to ensure the most effective use of tax dollars in supply reduction efforts, and to ensure that Support Justice operations truly support law enforcement objectives.

- 6. The committee has also been concerned about the implementation of Section 1004 of the Armed Services law over the past few years. Section 1004, as you know, allows DOD to provide transportation, linguistic, and other support to U.S. and foreign law enforcement entities. In the past few years, it appears that some valid requests for support from DOD, such as transporting concertina wire to finish the security perimeter at Santa Lucia Base, have been denied, while other less credible requests, such as support for marijuana eradication in Western Samoa, were approved.
 - Mr. Coleman, who in DEA coordinates and submits such requests?
 - Have any DEA requests been denied in the last 18 months?
 - If so, please provide the details of those requests and the reasons for denial by DOD.

Response: DEA requests for DOD support under Section 1004 are coordinated by the Deputy Assistant Administrator for Investigative Support at our Washington Headquarters. He is assisted in this effort by military detailees attached to our staff who facilitate the process with DOD. We transmit these requests in writing through the Department of Justice to the DOD Drug Coordinator for consideration.

I would point out that the Section 1004 support process has been evolving since its inception in 1990. There have been growing pains experienced by both DOD and the law enforcement agencies in prioritizing requests both internally and nationally. This has been further complicated by changes each year in the level of funding and administrative guidance from DOD.

After approximately \$12 million of DOD support in FY 91 that enabled DEA to enhance enforcement operations, most of the DEA requests during the past 20 months for support under Section 1004 have been denied or held in abeyance by DOD. Given limited resources, the requests have primarily been denied due to DOD changing the criteria which restricted support to unplanned and emergent only.

For example, in FY 92, based on advice from the DOD Drug Coordinator's Office, DEA and DOD jointly developed a plan and identified an electronic means to digitally route Title III wiretap information to a remote DOD location for translation to reduce DOD and DEA TDY costs. This unfulfilled digitized linguist and translation requirement remains DEA's highest priority for DOD support. This support is critical for purposes of exploiting trafficker communication and financial vulnerabilities.

Another example of the impact of this change in criteria is the cost associated with DOD airlift of our deploying and returning Operation SNOWCAP and CADENCE teams supporting host nations in Latin America. DEA has been forced to fund approximately \$370,000 for military airlift for deployment of these teams in FY 93, which had been covered in previous years under Section 1004. DOD denied our requests for this support citing that the airlift requirement was routine and could be budgeted for by DEA.

The attached addendum reflects a list of prioritized DEA requirements for FY 93 submitted through DOJ to DOD for support under Section 1004. These requirements are still pending DOD action.

Department of Justice Request for Department of Defense Services Per Section 1088, FY 1993 Defense Authorization Act

	Agency	Description of Service	Section	Amount
	USMS	Aircraft Repairs and Avionics Upgrades	(b)(2), (3)	\$9.312.000
	DEA	Digitized Linguist Support	(b)(2), (5)	800,000
1	DEA	Electronic Translation Support	(b)(8)	800,000
П	DEA	SNOWCAP Communications Program Support	(b)(2). (5)	704,000
1	DEA	SNOWCAP Medic Training	(b)(5)	430,000
Ш	DEA	SNOWCAP Ranger Training	(b)(5)	165.000
П	DEA	SNOWCAP Spanish Language Training	(b)(5)	281,000
П	DEA	SNOWCAP Mount—out Refresher Training	(b)(5)	125.000
П	USMS	C-130 Transportation/1	(b)(3)	Unknown
Н	INS	Construction of 27.6 Miles of Border Fence	(b)(2), (7)	2,564,000
П	INS	Lighting Along Border	(b)(2), (7)	1,200,000
	INS	Upgrade communications along U.S./Mexican Border	(b)(2), (8)	854,000
П	FBI	Anti-Drug Network	(b)(8)	3,144,000
П	USMS	Language Needs Assessment	(b)(5)	6,000
П	USMS	Tactical Computer System	(b)(8)	50,000
П	INS	Violent Gangs Task Force — Training	(b)(5)	210.000
П	DEA	Pilot Training	(b)(5)	915,000
Н	DEA	Photo Interpretation Training	(b)(5)	83.000
П	DEA	Intelligence Communications Upgrade	(b)(8)	750,000
П	DEA	Helicopter Retrofit	(b)(2)	3,000,000
П	FBI	Thermal Imaging System for Nightstalker	(b)(2)	500,000
П	INS	Counterdrug Related Maintenance Training	(b)(5) (b)(5)	186,000
П	INS	Intelligence Training - Inspections Response Team Controlled Substance Destruction Study	(b)(5)	197,000 350,000
П	DEA	SNOWCAP/Controlled Substance Airlift Support	(p)(3)	500,000
1	DEA	OPBAT Support	(b)(3)	3.000.000
Н	DEA	Firearms Training System	(b)(5)	2,100,000
П	INS		(b)(2)	245.000
и	DEA	SCIF Upgrade Surveillance Van Training Program	(b)(5)	30,000
П	DEA	Conversion of NARCO Avionics	(b)(2)	270.000
П	FB:	SNOWCAP Marine/Rivenne Training	(b)(5)	32.400
П	DEA	SNOWCAP Marine rearing SNOWCAP Navigational Aids Maintenance	(b)(2)	25,000
	DEA FEI	ISTEC Stabilized Airbome Surveillance System	(b)(2)	400,000
	DEA	Multi – Agency System Support Center	(b)(e)	600.000
	DEA	COMSEC Equipment Repair/Maintenance	(b)(2)	29 000
	UEM	COMOCO Edgibinorit habanimentoria	(-/(-/	======
2	AL SECTIO	N 1088 SERVICES		33,855,400

insport of personnel and equipment related to Special Operations Group's esponse to chises, such as riots.

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II. Regional/Country Specific:

Latin America and the Caribbean

- 1. We are currently in the fourth year of the five year Andean Initiative. The original goal of the initiative was to reduce the flow of cocaine to the United States by fifty percent in that five year period. Over \$1 billion has been spent in the Andes in direct bilateral assistance since the inception of the Andean Initiative.
 - How do you respond to the many critics who say this money has not achieved its specified objectives and has therefore been wasted?

Although some of the initiatives of the Andean plan may not have produced the desired results, progress has been made in several areas such as institution building and the development of a counternarcotics infrastructure. Today, counternarcotics forces in Colombia, Bolivia, and even in Peru, despite its many problems, are more professional, better trained and equipped, and display a greater amount of cooperation than at any previous time. In all three countries, counterdrug agencies have been restructured to obtain greater efficiency and effectiveness, and their mission has been refocused on pursuing the major drug trafficking organizations operating in their respective countries. Additionally, host nations' military forces are either directly participating in counterdrug operations or are providing logistical support to the civilian counternarcotics agencies.

It is true that some of the Andean initiatives have not been as successful as originally envisioned. Detection and Monitoring (D&M) efforts, especially when these operations have not been supported by intelligence information or host country end game capabilities, have not yielded significant results. For example, SJIV has identified numerous suspect tracks which could not be adequately pursued due to the lack of a viable end game. However, progress made in intelligence collection and investigative capability has resulted in the dismantling of major cocaine trafficking organizations and the incarceration of many key traffickers. Even though the original goal of the Andean initiative to reduce the flow of cocaine to the United States by fifty percent has not been reached, bilateral cooperation has driven the cost and the consequences of doing business for Andean cocaine traffickers to an all time high.

To what extent has corruption in the Andes affected cooperation with the U.S. on narcotics control issues?

Although corruption is present at different levels among host nation officials, it has not significantly stymied cooperation with DEA. DEA has countered the corruption problem by working with host country counterparts to attempt to identify, isolate and remove from office corrupt officials. It should also be noted that corruption in counterdrug circles is diminished as progress is made in institution building and in the development of a counternarcotics infrastructure.

- 2. In the four years of the Andean Initiative we have basically been engaged with only two of the three players: Colombia and Bolivia. Peru, for a variety of reasons including lack of political will and the suspension of constitutional democracy last year, have made little, if any, progress or counternarcotics efforts.
 - What valid reasons are there for believing that the Peruvian Government will ever make meaningful progress or significantly reducing the amount of coca cultivated and processed in Peru?

Despite the fact that the political situation in Peru has caused a degree of instability the PNP, the Air Force, and other components of the GOP have been actively engaged in CN activity. In fact the Peruvian CN elements have taken certain steps since the April coup that had been held in abeyance prior to that event. They have moved to control certain airports utilized by the drug traffickers, expanded operations against cocaine base labs, and undertaken pro-active law enforcement activities not only in the UHV but in Lima as well. Other significant progress is demonstrated by the indictment of Vaticano, the increase in seizures by the PNP despite reduced resources, and the willingness of the Peruvian army to provide security for law enforcement operations. It must be pointed out that all of this activity was carried out since the coup and despite the reduced levels of USG support.

- 3. It has been over nine months since the escape of Pablo Escobar from a Colombian jail and despite a vast commitment of manpower and resources, the Colombians appear to be no closer to catching Escobar now than they were the day after he escaped. In fact, Diario Los Americas from April 29th quotes President Gaviria as saying that the Colombians probably won't catch Escobar.
 - What is the current status of efforts to recapture Escobar?

The GOC continues to actively and aggressively pursue every lead developed regarding the whereabouts of Escobar. Despite these efforts, information sufficient to pinpoint his whereabouts has not been uncovered. Escobar on the other hand is being extremely cautious in his movements and has taken great pains to close off the circle of those with knowledge of his whereabouts to a select few of his most trusted associates.

Have the Colombians indicated whether he will still be subject to the same "surrender" arrangements as when he was originally incarcerated, including picking his own jailers and the possibility of a reduced sentence for cooperation?

The main factor in determining whether Escobar will be subject to his original terms of "surrender" is how he again comes into custody. If Escobar surrenders to Colombian authorities, he will do so only after negotiating terms that are in his best interest. This means optimum conditions for ensuring his personal security, and that of his family. It will also include as short a period of incarceration as possible. If Escobar is arrested by Colombian authorities, the original surrender terms will not apply, due to the fact that Escobar has been and will be charged with crimes that were committed after his original surrender.

- 4. The Ochoa brothers, two of the major Medellin Cartel members who turned themselves in under the surrender decree, apparently have still, two years later, not been charged with or convicted of any trafficking activities.
 - What is the status of the OCHOA cases?

The U.S. has made what we believe are very substantive exchanges of evidence concerning the OCHOAS. Their cases are currently pending in Colombia.

Reports continue to indicate that the Ochoas continue to conduct their trafficking activities from prison, despite Colombian assurances last year after the escape of Escobar that such activities would be severely dealt with. Are the Ochoas still conducting business as usual from jail?

We have no hard evidence that the OCHOAS are conducting business as usual from jail. We do receive reports from time to time that this is so, but have yet been able to corroborate those reports.

What have the Colombians done to curtail such activities?

Notwithstanding their inability to corroborate the reports of OCHOA trafficking, the CNP have conducted unannounced inspections of the OCHOA jail cells and seized communications equipment. These inspections and enhanced security measures are expected to continue.

- 5. There have been repeated problems with the effort to share information with the Colombians that would help them convict major traffickers in Colombian courts.
 - What is the status of evidence sharing on the major Medellin and Cali Cartel members, including ESCOBAR and the OCHOAS, with the Colombians?

There were initially some problems regarding the process. There were also problems related to the utility of certain U.S. evidence and the weight of that evidence in Colombian courts. These problems are being ironed out. The U.S. Department of Justice and DEA are committed to continuing to provide evidence to the GOC and will continue to do so aggressively. As to specifics, we are unable to discuss them because we have made a commitment to the government of Colombia that the information remain confidential.

What has been the source of the problem on the U.S. side?

As far as DEA is concerned there has been no problem other than those mentioned in $\ensuremath{\mathsf{my}}$ prior response.

6. What is the current extent of money laundering in Colombia? Do we have any estimate as to the extent of the impact of Colombia's economic liberalization program or apertura, on increased money laundering in Colombia?

Recent developments indicate that the proceeds of most cocaine sales in the United States end up in Colombia. Colombian financial institutions, money brokers and cambios have all become more active in transferring, exchanging and depositing drug money, much of which is cash. Consequently, Colombian banks have reported huge surpluses of U.S. dollars in their banking systems.

By opening up the transfer of currency and other forms of capital in and out of Colombia it is easier for drug traffickers and launderers to integrate their drug proceeds with legitimate money. Most of the money brokers for the Cartels have benefitted immensely by Colombia's economic liberalization.

- 7. Last year, the Ecuadoreans arrested the major dructrafficker in that country and broke up virtually the entirestructure of his organization.
 - What is the status of the REYES-Torres prosecution?

The arrests of the REYES-Torres organization took place i: June, 1992. The prosecution has been delayed due to the fact that the original chief prosecutor was removed and a replacement has noyet been named.

Is the U.S. providing judicial assistance to the Ecuadoreans in order to help ensure successful prosecutions?

All requests from the Ecuadorean government have been honored Specifically, instruction and advice on how to prove financial crimes has been provided.

- _ What is the nature of that assistance?
- A parallel investigation of the REYES-Torres organization is being conducted by DEA and there has been a constant exchange of investigative information with the Ecuadorean National Police concerning that case.
 - What is the current estimate of the Assets of the organization that were frozen by the Ecuadorear Government?

The amount of assets frozen as a result of this case is approximately 37 million dollars.

- 8. Reports in the press in recent weeks indicate that indictments of Raul Castro, the brother of Fidel Castro and Defense Minister of Cuba, along with 14 other high level Cuban Government officials may be indicted in the United Stats for narcotics trafficking activities, including the transportation of over 7.: metric ton of cocaine through Cuba to the United States in the last ten years. Yet, Cuba is not considered by the Administration as being a major narcotics transit country and is therefore not on the list of countries which are subject to certification.
 - _ How do you explain this apparent disconnect?
 - Would you agree that these indictments would indicate that the Cuban Government supports narcotics trafficking?

The above represents information derived from press reports. DEA is not in a position at this time to confirm, deny or comment on such reports.

- 9. Another soon to be released GAO report has identified serious problems with the operations of the Northern Border Response Force (NBRF) in Mexico. Among the problems identified are the fact that the 21 helicopters which were provided to the Government of Mexico by the U.S. for air mobile interdiction operations have never been used for this purpose. In fact, the helicopters, according to the GAO report have only been used 11 times in 18 months, all for the transportation of forensic teams.
 - How do you respond to the criticisms of the NBRF program contained in the GAO report?

The NBRF is a multi-agency bilateral response to not only air smuggling in the Republic of Mexico, but also to narcotics entering Mexico via maritime and land conveyances. Our first response to the criticisms of the NBRF contained in the GAO Report is that the UH-1H helicopters are only one facet of the overall NBRF operation. The helicopters are not the linchpin on which the success or failure of the extremely complex and multi-faceted NBRF program rests.

The hypothesis presented in the GAO Report is inherently false. It makes an assumption that there is a cause-effect correlation between the lack of substantial use of the UH-1H helicopters and the overall success of the program itself. The NBRF has been an extremely successful counternarcotics initiative since its inception in April 1990. The success of the program has resulted without the full implementation of the helicopters into NBRF by the GOM, as had been originally envisioned. The use or non-use of the helicopters by the PGR/NBRF should not be the acid test by which to measure the success of the NBRF. Almost 55 metric tons of cocaine was seized by the NBRF after the December 1990 delivery of the first tranche of helicopters to the GOM-PGR.

The in-country NBRF team is in agreement with the section of the GAO Report regarding a noticeable shift in strategy by trafficker air smugglers in CY 1991. Maritime suspect aircraft landings and/or airdrop deliveries began to take place in ever increasing numbers in the southern half of Mexico when the traffickers decided to change their routes. The in-country NBRF team is not in agreement with the way in which the NBRF is depicted following the shift in air smuggling tactics by the traffickers. In the GAO reports, the NBRF is portrayed as almost powerless to adapt to the new trafficking trend. Due to the dynamic multi-agency composition of the NBRF and the advent of Cendro (the GOM Center for the Planning of Drug Control which is the GOM's version of the El Paso Intelligence Center) in 1992, the NBRF mounted a formidable and coordinated ground response (both by GOM law enforcement and military personnel) to detect suspect aircraft landings and airdrop deliveries occurring both inland and in and around Mexico's coastal waterways.

In 1992 the NBRF seized almost 29 metric tons of cocaine in Mexico. These seizures are somewhat obscured in the GAO Report's almost exclusive concentration on the UH-1H helicopter issue. The bulk of NBRF cocaine seizures in 1991 and 1992 were achieved without the assistance of the UH-1H helicopters. The documented history of NBRF successes alone refutes many of the assumed conclusions contained in the GAO Report.

In the past nine months, both human and signal intelligence reports emanating from Mexico and Colombia have confirmed what the

In the past nine months, both human and signal intelligence reports emanating from Mexico and Colombia have confirmed what the Embassy has long suspected: the overwhelming successes achieved by the NBRF in Mexico equate to significant losses of cocaine, aircraft and aircrews for major Colombian cartel air transportation organizations. One DEA debriefing of a major Colombian cartel transportation coordinator revealed that the cartels had performed their own threat assessment — of both the NBRF in Mexico and operation CADENCE in Guatemala. The conclusions reached by the Colombian cartels was that it was no longer cost effective to send cocaine to Mexico or Guatemala via small twin-engine aircraft. Cartel losses had become prohibitive and a new path of least resistance was discovered — the maritime container shipment.

Since the GAO Report study was not based on all of the empirical evidence available it calls into question not only the validity of the study's conclusion, but also the credibility of the entire GAO analysis.

Do the Mexicans really need helicopters to transport investigation teams to already secured sites?

Yes. The First Investigative Special Team (FIST) is a dynamic and integral component of the NBRF program. The follow-up investigation is as important as the initial interdiction itself. FIST investigations of aircraft seized in Mexico have resulted in the development of major investigative leads which ultimately led to the seizure of over \$40 million worth of cartel replacement aircraft in both the U.S. and Colombia. Due to often desolate and rugged terrain chosen by traffickers for clandestine aircraft landings and airdrop deliveries in Mexico, the closest UH-IH helicopter asset is sometimes the only expeditious means of transportation available to remote interdiction sites for FIST team investigators.

- 10. Operation Cadence in Guatemala is based on virtually the same concept as NBRF in Mexico, except that it was supposed to be a regional interdiction capability. However, the helicopters have to my knowledge never left Guatemala. Currently, two CADENCE liaison personnel are assigned to both Belize and Honduras to work with host nation law enforcement forces in developing the regional aspects of this operation. Seizures of cocaine in Guatemala were down by almost six tons in 1992, and the majority of seizures occurred in urban areas of Guatemala, rather than in rural areas where helicopters would be needed for interdiction.
 - How do you explain the drop in seizures in Guatemala?

The drop in seizures in Guatemala in 1992 is in part attributable to traffickers shifting from daytime deliveries to night Operations. CADENCE did not have a night capability until May, 1993. Present night capability is limited to coverage of selected areas of Guatemala due to an insufficient number of airframes and qualified night capable air crews. Because of previous successes in Guatemala many traffickers are now seeking alternate routes and methods for smuggling cocaine (i.e., container cargo).

_ Why haven't the helicopters been used in any other countries in the region as was originally intended?

HONDURAS. The regional concept for CADENCE was predicated on having an adequate number of helicopters with sufficient range and load capacity. These assets never materialized. CADENCE nevertheless has deployed agents to Honduras to gather intelligence, train HN forces, and assist the country team in building appropriate infrastructure for counterdrug operations.

EL SALVADOR/BELIZE. Again, the regional concept for CADENCE was predicated on having an adequate number of helicopters with sufficient range and load capacity. CADENCE nevertheless has deployed agents to Belize to gather intelligence, train HN forces, and assist the country team in building appropriate infrastructure for counterdrug operations. Helicopters can be forward deployed to Belize for pre-planned operations, but an insufficient number of helicopters precludes the posturing of airframes for a rapid response to Belize and Honduras. Current intelligence does not support assigning limited CADENCE resources in El Salvador.

Does Cadence receive any intelligence or other support from the RCAT in Honduras or from other DOD assets?

CADENCE receives little intelligence from the RCAT or any DOD element. The main worth of the RCAT is coordinating DOD assets and serving as a link between CADENCE and DIA for analytical support.

Please provide to the Committee details of all seizures attributed to Cadence since the beginning of the operation, including location of seizure, circumstances of the seizure and assets used to effect the seizure.

CADENCE statistics are attached. Since the inception of CADENCE in May, 1991 the program has accounted for the following seizures:

28,261.2 kilos of cocaine HC1
116 arrests
15 aircraft seized
5 aircraft destroyed
8 vessels seized
1 vessel destroyed
21 vehicles seized

These seizures resulted mainly in Guatemala, but include operational results in Honduras, Belize and El Salvador.

From May, 1991 through May, 1993 CADENCE conducted 57 operations which resulted in the following seizures/arrests, some of which had more than one source:

HUMINT: 44 (67%)
D&M: 12 (18%)
SIGINT: 8 (12%)
ROADBLOCK: 2 (3%)

DATE	LOCATION	DRUG COCAINE	ARRESTS	SEIZED ASSETS SOI
05/28/91	Lago Isabel	343K	3	47' Chris craft
06/06/91	Guatemala City	бK	3	None
06/08/91	Peten	500K	0	1 Piper Navaho
07/28/91	SW Coast	629K	0	Control Seizure
08/11/91	SW Coast	767K	0	Control Seizure
08/27/91	SW Coast	301K	0	Control Seizure
08/29/92	SW Coast	500K	0	Control Seizure
09/15/91	Guatemala City	20K	4	None
09/30/91	SW Coast	428K	1	1 Beechcraft Queen Air, 1 Ford van

FY91 3,494K TOTALS	11 1 vessel, 1 vehicle, 2 aircraft
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10	10/02/91	SW Coast	808K	0	1 AeroCmdr
11	10/11/91	Lago Isabel	2,5 48 K	0	C-46 Crash - no Survivors
12	10/21/91	SW Coast	1,482K	0	l Beechcraft King Air
13	10/24/91	San Salvador	2,897K	6	None

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	DATE	LOCATION	DRUG COCAINE	ARRESTS	SEIZED ASSETS SOI
14	11/14/91	SW Coast	893K	2	1 Sport Fish Boat (Destroyed)
15	12/09/91	SW Coast	655K	0	Control Seizure
16	12/13/91	SW Coast	300K	0	Control Seizure
17	01/07/92	Road Interdiction	120 lb MJ	2	1 Truck, 2 Boats
18	01/13/92	SW Coast	454K	0	1 Aircraft
19	02/04/92	SW Coast	466K	2	2 Aircraft
20	03/02/92	SW Coast	20K 600dest	0	1 Super King Air (Crashed)
21	03/27/92	SW Coast	1,000K	3	1 King Air
22	04/06/92	SW Coast	391K	2	1 Thrush-type aircraft
23	04/06/92	Lago de Isabel	330K	0	1 Cessna 210
24	04/08/92	SW Coast	285K	0	None
25	04/27/92	Peten	None	6	3 radios/wpns 2 4-wheel Dr vehicles, 700 gallons Aviation fuel
26	05/18/92	SW Coast	320K	0	1 Cessna 210
27	06/09/92	Belize	201K	12	1 Pick Up Truck 1 25'Skiff
28	06/20/92	La Noria	401K	3	1 Piper Aztec
29	06/27/92	SW Coast	200K	0	1 Piper Navajo
30	07/08/92	Guatemala City	675K	0	3 trucks, 1 van
31	07/08/92	San Lucas	2,275K	0	Non

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	DATE	LOCATION	DRUG COCAINE	ARRESTS	SEIZED ASSETS	801
32	07/10/92	Belize	495K	3	2 25' Skiffs	
33	07/18/92	SW Coast	None	1	2 Mac-10 submachine guns	
3 4	07/25/92	SW Coast	None	0	1 Crashed Cessna T-303 Crusaderd	
35	08/16/92	Guatemala City	2 kgs	1	1 Van	•
3 6	09/03/92	Santa Barbara	None	0	1 Piper Navajo (Crashed)	
37	09/08/92	Peten	None	1	1 Beechcraft King	
38	09/20/92	Quetzaltengo	14 LBS	2		
		FY92 TOTALS	17,098K	46	11 aircraft, 5 boats, 9 vehicles	
		Marijuana	134 LBS			
39	10/22/92	Honduras	463K	3	1 Go-Fast Boat	
0	11/09/92	Retalhuleu	309K	12		
1	11/26/92	Tiquisate	310K	0	Cessna 206 (Crashed)	
12	12/13/92	Peten	NONE	0	Rockwell Turbo cmd	
13	01/12/93	Guatemala City	220K	0	NONE	
44	01/14/93	Guatemala City	661K	1	NONE	
45	02/02	Guatemala City	150	0	NONE	

DATE	LOCATION	DRUG COCAINE	ARRESTS	SEIZED ASSETS	BOI
02/05/93	El Salvador	649K	7	1 truck	
03/08/93	HONDURAS	5,320 lbs (MJ)	0	NONE	
03/09/93	La Mechina	24K	2		
04/02/93	Peten	426K	2	2 boats	
05/05/93	GT/HO Border	NONE	4	1 dest piper Seneca	
05/05/93	SW Coast	NONE	10	4 vehicles	
05/06/93	GT/ES Border	19K	0	0	
05/09/93	Esquintla	131K	2	l tractor- trailer	
05/16/93	Guatemala City	400 K	1	1 truck (connected to 05/05 crash)	
06/02/93	Peten	1,668K	1	4 vehichles	
		*			
FY 93	Totals To Date	5,430K	39	<pre>1 aircraft, 3 boats, 11 vehicles</pre>	
·	Marijuana	5,320 lbs			
TOTALS FOR	PROGRAM:				
			Cocaine	26,022K	
		M	arijuana	5,454 lbs	
			Arrests		
			Aircraft		
			Vessels		oyed
			Vehicles	21	

- 11. For fiscal year 1994, the Administration has included an allocation for military assistance for Guyana under the guise of potential source and transit assistance. The other potential source and transit countries for the purpose of the Administration's FMF allocation are Belize, the Dominican Republic, the Eastern Caribbean, Ecuador, Jamaica, and Trinidad and Tobago.
 - What is your assessment of the magnitude of trafficking occurring in Guyana and the amount of narcotics which may be transiting Guyana to the United States?

The Administration's Foreign Military Financing (FMF) allocations for Belize and Ecuador should be used to provide education and training to law enforcement units that are organized for the specific purpose of narcotics enforcement, for the procurement of defense articles or commodities for the use of such units for narcotics control efforts and for the expense of deployed mobile training teams to conduct tactical operations in narcotics interdiction.

Guyana represents a fairly small potential market for drug traffickers, so any large quantities of drugs that are imported into this country are usually destined for subsequent export to U.S. markets. A small quantity of drugs remain in Guyana sometimes as payment in lieu of cash for those involved in its safe storage.

Two recent seizures reflect that Guyana is involved in smuggling. During the month of September 1992, approximately 92 kgs of cocaine was seized aboard an aircraft that was destined for New York and in March 1993, approximately 117 kgs of cocaine was seized in New York aboard a flight from Guyana.

Center for Strategic & International Studies Washington, D.C.

MULTILATERALISM AND DRUGS

July 15, 1993 2203 Rayburn House Office Building

AGENDA

8:30 - 8:45	Welcoming Remarks and Introduction Georges Fauroil, Director Americas Program, CSIS
8:45 - 9:15	Opportunity for Multilateral Engagement on Drugs Davis Musto, M.D., Yale University
9:15 - 9:30	Changing U.S. International Drug Strategy Congressman Tom Lantos, Chairman, Subcommittee on International Security, International Organizations and Human Rights, House Foreign Affairs Committee
9:30 - 10:15	Global Problem - The Role of the United Nations Giorgio Giacomelli, Executive Director United Nations International Drug Control Program
10:15 - 10:30	Maintaining U.S. Foreign Policy Commitments on International Drug Issues Congressman Benjamin Gilman, Ranking Republican Member, House Foreign Affairs Committee
10:30 - 11:00	New Approaches to the Global Drug Problem Hon. Timothy E. Wirth, Counselor Department of State
11:00 - 11:15	Coffee Break
11:15 - 12:30	Toward an International Drug Agenda: New Strategies, New Institutions, New Programs Irving Tragen OAS/CICAD Robert Shaw, Texaco Corporation Stephen Flynn, Brookings Institution
12:30 - 1:00	Discussion and Closing Remarks Helene Kaufman

CONFERENCE ON MULTILATERALISM AND DRUGS

2203 RAYBURN HOUSE OFFICE BUILDING

INTRODUCTORY REMARKS
GEORGES FAURIOL, PH.D.
DIRECTOR, AMERICAS PROGRAM
CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

July 15, 1993

On behalf of the Center for International Studies and our gracious cohosts, the Chairmen of the U.S. House of Representatives Foreign Affairs Committee, the House Subcommittee on International Security, and the Senate Committee on the Judiciary, I want to welcome you to our conference on Multilateralism and Drugs. This program is one in the Center for Strategic and International Studies (CSIS) series on the Transnational Drug Challenge and International Drug Policy for the 1990s that the Center has sponsored during the last two years.

I particularly want to thank Congressman Tom Lantos and Congressman Benjamin Gilman who are joining us today, and Senator Joseph Biden, who is unable to be here, but has been a staunch advocate for a sound drug policy and cosponsor of the CSIS Narcotics Program. I would also like to extend a special note of thanks to the House Foreign Affairs Committee staff, Ms. Beth Ford, Ms. Mary Ann Murray, and Mr. Dan Fisk who were so instrumental in making this event a reality.

Why a conference on multilateralism and drugs now? The impetus for this event emanated from the working sessions on international drug policy which the Center has conducted with the active participation of four important groups: officials of the executive and legislative branches, representatives of multinational corporations and nongovernmental organizations, and international organization representatives and noted international drug authorities. Over the last two years, we at the Center have found that drug policy discussions rarely culminate in consensus. However, the need for an examination of a new multilateral engagement on the global drug problem was a priority for the participants of all four groups.

This program is designed to explore the policy options for an expanded multilateralism in confronting the international drug problem and the realistic avenues for that engagement. I now want to turn the program over to Helene Kaufman, the conference moderator and visiting fellow at the Center. It is her dedication and persistence that has brought you all here today.

International Anti-Drug Efforts: A Window of Opportunity D.F. Musto, M.D.

Yale University School of Medicine

The role of the United States in the international effort to control dangerous drugs is of interest first because the United States is a major consumer of these drugs, and second because the United States started the international effort eighty years ago. That role, however, has not been steady; in fact, it has undergone great swings in intensity and direction that at times have encouraged and at other times confused the international community. Looking at the history of America's experience with drugs reveals that we are in one of those rare moments in the 20th century when real progress on international control is possible. Whether this moment will be seized by the international community remains to be seen, for another lesson of history is that the control of narcotics, regardless of rhetoric, is almost always secondary to other vital interests of nations.

The United States' decision to seek international control followed from the extraordinary acquisition of the Philippine Islands after the Spanish-American War of 1898. The United States convened a thirteen-nation Commission at Shanghai in 1909. From that meeting to this day there has been an unbroken diplomatic record of attempts to control drugs internationally. The determination of the United States alone, however, could not have achieved the Shanghai meeting. Momentous actions in other nations were required for a success. These actions occurred in Britain and China, but each action had its own origin and need not have happened at all or in time to make multilateral cooperation possible. That is, the beginning of the world antinarcotic movement was made possible by the coincidence of complementary actions in three widely separated nations. The other essential characteristic is that these national actions took place in the absence of conflicts that would have made impossible the cooperation of other important nations. A few years earlier or later and circumstances would have strongly worked against international cooperation.

The Origin of Control Efforts

After the United States acquired the Philippines, it was confronted with an unprecedented circumstance, a government opium monopoly that had been supplying opium smokers. Should it be continued or prohibited? American attempts to deal with this special problem ultimately led to conferences where the world's powers debated the control of narcotics everywhere. Meanwhile, maltreatment of Chinese nationals in the United States in violation of US treaty obligations led to a voluntary boycott of American goods by merchants in China. At about the same time the Chinese government began a severe crack-down on opium smoking. These mainland events coincided with American frustration at failing to bring under control the smuggling of opium into the Philippines. Into this supersaturated solution dropped an idea

^{° 1993} David F. Musto

from Charles Henry Brent, the American Episcopal Missionary Bishop of the Philippine Islands which led to the Shanghai Opium Commission.

In July, 1906 Brent wrote President Theodore Roosevelt suggesting the United States convene a meeting of the nations associated with opium traffic in the region to help China with its opium problem. Not only would this be a friendly gesture toward China but, furthermore, control of opium traffic would solve the smuggling problem in the Philippines when total prohibition was to come into effect. This suggestion was adopted

by the President and appropriate nations were invited.

There were, then, links between the United States's interest in placating China, protecting the Philippines and the convocation of the Shanghai Commission. Still, without the change in official attitude of the British who were responsible for the export of opium from India to China, such a meeting would have been futile. That change had occurred in 1906 when the British elected a Liberal government with a platform denouncing the Indo-Chinese opium trade. The battle against it had been long and frustrating, but at last in 1906 those who wished to end it had come into power. This was the final, essential link: China had an opium problem and had begun a serious campaign against it, the British sent opium into China through treaty-rights which China by itself was helpless to abrogate, and the United States, with its own concern for its new Philippine territory and the China market, provided the catalyst for enlarging the Chinese opium problem into an international effort to control all opiates over the whole earth.

The British worry now was not so much that the Indo-Chinese trade could not be stopped, but that Chinese growers would simply substitute their crops for the lost imports. The result then would be no change in the Chinese use of opium, and the British would be out revenue which helped pay for its administration of India.

China's campaign against opium was described by observers as vigorous and determined. A ten-year phased elimination of opium admitted from India was agreed upon in 1906 by the British and Chinese governments. Subsequent British inspection of the antiopium campaign pronounced it an effective program. Progress against opium, however, was cut short by the revolution which broke out in China in 1912. Soon, warring factions again made control of opium impossible. The Chinese campaign of 1906-1912 illustrates the fragility of conditions necessary for effective reduction in production and consumption and the magnitude of other factors: domestic tranquility, effective government and a general agreement about an anti-drug campaign being essential for the nation's welfare.

In 1906, however, the future had looked brighter. The United States invitation to meet in Shanghai was accepted by eleven nations in addition to China: Austria-Hungary, Britain, France, Germany, Italy, Japan, the Netherlands, Persia, Portugal, Russia and Siam. The Commission met for the first 26 days in February,

1909 and produced nine resolutions. In addition to praising China in its battle and pledging support by enforcement of anti-drug laws in areas of China controlled by other nations, the most significant points made were that use of opium and opiates for non-medical purposes was held "by almost every participating country to be a matter for prohibition or careful regulation," and that every country had a duty to ban exports of these drugs to other countries prohibiting their entry. Through the skillful negotiation of Bishop Brent, the resolutions were passed without opposition.

When Dr. Hamilton Wright, the Opium Commissioner in the State Department, returned to Washington, he sought both a domestic law to control narcotics and the State Department's approval for seeking a conference where the original US goal, a treaty, could be achieved. The Conference was achieved first. In spite of foot-dragging by both those opposed and those simply disinterested, very nearly the same group that met in Shanghai assembled at the Hague in December 1911 to negotiate a treaty. Once again, Bishop Brent was chosen to preside.

The treaty, the Hague Opium Convention, was signed by the nations on 23 January 1912. The goal of the treaty which dealt with opium, opiates and cocaine was domestic legislation in each nation which would control the distribution of manufactured drugs, attempt to limit them to medical uses, and recognize the right of other nations to refuse importation against their wishes. Included in the US invitation to the conference was the suggestion of establishing a permanent international commission to oversee implementation of the treaty, but in the end this would have to wait until the League of Nations assumed responsibility after World War One. By then, however, the United States would have lost its leadership in the drug area and, furthermore, undergone a sea-change in its attitude toward drugtrafficking and international cooperation. The League of Nations

When the League of Nations assumed responsibility for the Hague Convention in the 1920s one could reasonably assume that the goals of the United States for world-wide cooperation to control trafficking had been achieved and that Americans could celebrate. Instead, the United States refused to join the League of Nations, walked out of the Second Geneva Opium Conference in 1925 claiming it had been misled by devious and insincere foreign powers, and insisted on sending what reports it owed under the Hague Convention only to the Netherlands government (which then transmitted them to the League of Nations). What had happened to the American crusade against narcotics?

World War One was a great watershed in American attitudes toward narcotics. Prior to the War the United States government believed in international agreements such as the many treaties negotiated by Secretary of State William Jennings Bryan in 1913 and 1914 to permit peaceful solutions to disputes between hostile nations. The Hague Opium Convention was one more example of that attitude. American commentators noted the enormous American

appetite for drugs, especially opium, and hoped other nations could be induced to control their production, manufacture and distribution for the benefit of the domestic problem. Dr. Wright went so far as to call the United States the "world's greatest opium consumer" in his appeals for popular support of international and domestic controls.

Post-war America saw itself very differently. isolationism that characterized the 1920s included suspicion about the intentions of foreign nations. In the narcotics area this took two forms contradictory to earlier attitudes: United States officials no longer pointed to an inordinate domestic appetite for drugs but loudly proclaimed that the American drug problem arose from the disinterest or even the evil intentions of foreign nations. To quote one of the most prominent anti-drug crusaders, retired Naval Captain Richmond P. Hobson, each continent sent to America its particular poison: Asia sent opium; Europe, heroin; Africa, hashish and South America, cocaine. How could the US hope to gain cooperation of foreign powers when they were bombarding the United States with their drugs? This new feeling found dramatic expression in 1925 at the Second Geneva Opium Conference when the United States delegation, having been told that controlling opium production was outside the scope of the Conference, angrily walked out declaring that they were persuaded that further dealings with the League of Nations apparatus was a waste of time. In just over ten years the United States fallen from leadership of the world anti-narcotic movement into isolation from it.

Such a change illustrates how profoundly the narcotics issue is affected by larger transformations in America's attitude toward itself and its neighbors. The view that progress in the fight against narcotics was frustrated by the insincerity and duplicity of foreign nations paralleled the U.S. posture in larger issues including the American refusal to join the League of Nations and the World Court. Both before and after World War One the U.S. attitude toward other nations in the fight against narcotics appeared grounded in a myriad of details that led in the earlier period to a conclusion that international cooperation was possible but, later, to the conviction that such cooperation could not be achieved. The fine points of treaties and foreign intentions were important, but the interpretation of the specifics seemed to arise from a larger and deeper conviction Americans held about themselves and others. Their broader attitude molded the shape into which the details fit and served to confirm their optimism and, later, their pessimism.

American involvement with international efforts revived in

the 1930s with attendance at the Conference on Limitation of Manufacture of Narcotic Drugs in 1931 and several other meetings. Throughout the decade there was a gradual reintroduction of American interest in the field. This, however, was cut short by the outbreak of the Second World War in 1939.

The world anti-narcotic effort was handicapped between the World Wars by other elements besides the distrust of the United

States. China, another of the original three powers that made possible the Shanghai Commission had been fragmented into warring factions that made any effective control of production and distribution of opium impossible. In fact, various war lords used the opium trade to raise funds.

Thus from 1914 to 1939, the collaboration and parallel interests that emerged at Shanghai and the Hague were diverted to more urgent problems or were divided by larger events, such as American isolationism and Chinese disorganization, which crippled concerted efforts to deal with opium production and manufacture. World War Two effectively, albeit unintentionally, interrupted opium trade but then in 1946 the Cold War imposed a new division in the international community that created its own damaging impact on the anti-narcotic efforts.

The Cold War provides an excellent example of the way in which the larger concerns of great powers induce them to use the narcotics issue to promote national interests. In general, accusations of narcotics trafficking made against other nations are impossible for any individual citizen to prove or disprove: the plausibility of the charge often depends on the image of the nation accused. Perhaps if classified information were made available the claims could be evaluated, but whether this will ever occur is unknown. There is, however, one series of charges and counter-charges spanning two decades that is a matter of public record and puts into perspective the Cold War's impact on the issue of international narcotics control: the accusation that "Red China" officially engaged in heroin trafficking.

The background for the accusation was the 1949 conquest of mainland China by the Communist Party led by Mao Zedong. The outrage of many Americans blocked the PRC's admission to the United Nations until 1971 and delayed official US recognition until 1978. The domination of China's mainland by the Communists, the apparent unity between the USSR and China, the size of their combined populations and their centrality in the Asia land mass appeared a most serious threat to the United States and formed the context for vigorous anti-communism in the United States. When North Korea invaded South Korea in June 1950, the United States found itself in an Asian land war which in a few months expanded to include the Communist Chinese themselves. The war was intense, creating great concern at home as the United Nations forces fought to a stalemate.

During the Korean War the United States initiated a series of charges against the Peoples Republic of China regarding trafficking in opium, morphine and heroin. The US Narcotics Commissioner, Harry J. Anslinger, Chairman of the US Delegation to the UN Commission on Narcotic Drugs (UNCND), launched an attack on the PRC during the UN group's meeting in May 1952. Anslinger stated he had copious evidence that "Communist China was at the present time the biggest source of the illicit traffic in narcotic drugs in the world." Evidence from arrested traffickers, Anslinger added, revealed that "profits from the smuggling were used to finance the activities of the Communist

Party and to obtain strategic raw materials." A year later, Anslinger continued the attack by declaring that "the United States is a target of Communist China to be regularly supplied with dollar-earning, health and morale-devastating heroin."

The Soviet Union and the PRC angrily denounced these charges as slanders against the people of China. In 1953 the Soviet delegate claimed he found an answer to the slander in US attempts to divert attention from the "poison gases and bacterial warfare" he alleged had been used by US troops in Korea. A month later the PRC Foreign Ministry echoed these charges and said the US allegations arose from "the severe censure by world opinion of the bacterial warfare unleashed by the United States."

Attack and defense continued for years thereafter. The importance the United States attached to the narcotic charges against the PRC can be seen in the frequent use of them to justify the PRC's exclusion from the United Nations. Anslinger argued in 1956 that the PRC "needs this new badge of prestige badly if she is to protect and expand her \$1 billion a year traffic in narcotics." In 1961 Congress passed a resolution opposing the PRC's admission to the UN on several grounds including "its export of narcotics to non-communist countries in collaboration with criminal elements in these countries, on a scale that makes it the major source of the international illicit narcotic traffic."

When Anslinger retired after thirty-two years as head of the Federal Bureau of Narcotics, his successor, Henry Giordano, continued the attack, saying in 1963 that "the Red Chinese were extensively engaged in drug traffic and he saw no reason to believe that this traffic was declining." In the mid-60s, however, remarkable changes took place in great power relationships and the attitude of the United States and the USSR regarding Chinese opium traffic underwent a startling alteration.

After the death of Stalin in 1953 tensions arose between the Soviet Union and the PRC. China, under Mao Zedong sought leadership of the Communist world and also had sensitive requests such as adjustments to the Sino-Soviet border. Khrushchev's rise to the Premiership in 1958 failed to resolve these differences and by 1964 the Soviets and the Chinese were at loggerheads.

In September of 1964 <u>Pravda</u> published a startling essay entitled "Traders in Narcotics." The article charged that the dissident government of China financed a "system of lies and slander" against the Soviet Union "in large measure by money received from sale of drugs." The Soviet attack continued, "The smuggling of drugs annually yields \$500 million to the present Chinese leaders...This trade has become one of the main sources of convertible currency for the leadership of the Chinese Communist Party." What an astounding about-face!

This echo of American charges was met with outrage from the PRC which reminded the Soviets that the USSR had always defended the Chinese against similar American accusations. While Beijing sent volleys of epithets at both the US and the USSR, United

States' official statements were muted. Changes were stirring in the US, also.

In the mid-1960s a re-evaluation of "Red China" was forming in the United States. Slowly the possibility was entertained that the PRC, now an enemy of the Soviet Union, could become a recognized entity with normal diplomatic relations. One of the first signs that the wind had shifted direction was a statement on narcotics by Henry Fowler, Secretary of the Treasury. In 1967, Fowler reported that only about 5% of the heroin smuggled into the United States "might" come from the Far East. More concessions were to follow.

In July, 1971 President Nixon announced that he would visit the PRC and "seek the normalization of relations." Less noticed was a statement the State Department had issued two weeks earlier: "So far as we are aware, opium is not grown legally in the People's Republic of China and none is exported by the Chinese Communist authorities." In October the PRC was admitted to the United Nations and assumed its seat on the Security Council. Two days later the State Department spokesman stated: "There is no reliable evidence that the Communist Chinese have ever engaged in or sanctioned the illicit export of opium or its derivatives. Nor is there any evidence of that country exercising any control over or participating in the Southeast Asia opium trade."

While the United States officially retracted almost two decades of detailed charges against the PRC, the Soviet Union hugged its new line and persisted in alleging the Maoists were producing and distributing opium. The Soviets must have taken some pleasure in quoting the many US media reports, such as Stanley Karnow's <u>Saturday Evening Post</u> article in 1964 on Red China's complicity in narcotics trade.

When we look at this example of the Cold War's impact on international narcotics policy we cannot determine just where the truth lay, but we can be reasonably confident that the switch in solemn and detailed official statements about the PRC was related to realignments among the U.S., U.S.S.R. and China and not to changes in the narcotics activities (or inactivities) of the Chinese mainland government.

The US-Sino-Soviet conflict after World War Two extended the era of divided world efforts against narcotics traffic for four more decades. While the Cold War persisted, accurate public speech - George Orwell's requirement for a healthy political climate - was clearly impeded. Only in the mid-1980s, for instance, did the Soviet Union allow its officials and media to mention that the nation had a drug problem. Prior to that time a regular feature of the UNCND was a Soviet delegate boasting that the USSR did not have the drug problem which did exist in the West and was, the argument went, representative of an exploitative society.

<u>Conclusion</u>

There are two conclusions suggested by this review of eighty years of international attempts to control narcotics. The first

is that statements by a nation about narcotic trafficking are generally secondary to its security interests. The more urgent the higher interests of the nation, the more likely accusations of trafficking or accounts of domestic drug use will be distorted by unrelated great power concerns. As charges are thrown back and forth by hostile nations, the level of useful information drops and the ability of the public to form a correct appreciation of the "drug problem" is similarly reduced.

A corollary of this observation is that the opportunities for progress through common action are dependent on more general circumstances. The establishment of the international campaign in 1909 and 1912 rested on disparate events that came together in a moment of faith in international agreements. From that time on, the framework existed and the goals were proclaimed, but first China in 1912 then the United States in the 1920s dropped out of the effort. Before these deficits could be remedied, World War Two broke out and finally, before reconstruction could be completed, the Cold War appeared and lasted until - 1990? This is not to say that progress in certain regions could not be fairly claimed, but the use of narcotics as an instrument of national security interests so debased the language employed that the public has become ignorant of reality and, as they reflect on the twists and turns of official statements, cynical as well.

The final comment is somewhat optimistic considering the foregoing. After eighty years we have again arrived at a time when the prospects for international cooperation are favorable. Consider the fact that the string of opium-producing regions from the Anatolian Highlands to the Golden Triangle are in the border between the great power players of the Cold War. With the decline in military confrontation, the opportunity for growers to play off one block against another is fading. Further, the USSR, China and the United States all share a high level of fear regarding opium and its derivatives. Success of the anti-Iraq coalition illustrates the possible cooperation that may occur in an anti-narcotic coalition.

Whether some effort in this direction will take place cannot be predicted. Simply because there is an improved opportunity does not mean that cooperation will occur. Decades of frustration over the war on narcotics may sap enthusiasm for a new effort. Of course, success with regard to opium does not affect synthetic drugs and the cocaine problem has its own set of complexities. Nevertheless, it is remarkable to consider that we are at a moment more like the era before World War One with regard to parallel national interests against narcotics than at any time since that era more than a lifetime ago.

Remarks by Hon. Tom Lantos Chairman, Subcommittee on International Security, International Organizations and Human Rights

Multilateralism and Drugs

July 15, 1993

I would like to commend Chairman Hamilton and Ranking Republican Ben Gilman, as well as the Center for Strategic International Studies, for organizing this conference to examine and explore multilateral alternatives for audressing the insidious and powerful narcotics trade. Clearly, combatting the drug scourge represents a transnational challenge. I believe that we need to revisit many of the underlying assumptions of current U.S. international drug control policy. Critical to this effort is a refocusing of the prism through which we view the narcotics problem and devise solutions.

It is time for the United States to move beyond our current bilateral focus to a more multilateral and systematic approach. By investing more effort and resources in multilateral approaches, the corrupting influence of the narcotics trade and its devastating impact on the political, economic, and social fabric of our societies can be more effectively addressed. And, in this time of increasing fiscal constraints, in both the U.S. and most of the developed world, multilateral approaches may make better use of our limited foreign assistance resources.

Refining the strategic role of multilateral institutions in counternarcotics efforts has, therefore, assumed greater urgency. The U.S. must use its leadership role in the U.N. to broaden the mandate of a variety of international organizations to include programs which further narcotics control objectives. By bringing these organizations into the counternarcotics fold, we will greatly enhance the international community's ability to tackle the full range of problems generated by the drug trade. For example:

- o UNICEF can play a vital role by designing projects that target drug addicted and at-risk children, particularly those living on the streets. Such an effort would be in keeping with UNICEF's mandate of ensuring the well-being of children worldwide.
- o The United Nations Development Program and International Fund for Agricultural Development also have vital roles to play and should add antidrug concerns to their overall missions. By making drug control objectives an integral part of their projects when appropriate, these organizations will enhance the prospects for lasting economic and political development while ensuring that their efforts do not unintentionally promote the interests of drug traffickers.

The United States should also use its influence in the World Bank and the regional multilateral leading institutions, such as the Inter-American Development Bank, to make the drug control dimension an integral part of their development philosophy and projects. Increased attention must also be given to the economic implications of the drug industry in those countries whose financial stability is held hostage by the revenues generated by illicit cultivation and trafficking.

The United States also needs to make better use of regional organizations, such as the Organization of American States, and develop more regional strategies for addressing all aspects of the drug trade including money laundering and precursor chemicals. Again, making use of regional organizations not only gives countries in the region a greater sense of responsibility for addressing these problems but makes more effective use of scarce resources.

Unless the Community of Nations acts more effectively and in concert to confront the full range of problems associated with narcotics trafficking and production, the democratic fabric of our society will be torn apart and the nascent democracies of the world will never have the opportunity to thrive.

Revitalizing and coordinating the anti-drug efforts of the United Nations and making drug control an integral part of U.N. programs has been the mandate of our next distinguished speaker, Giorgio Giacomelli, the Executive Director of the U.N. Drug Control Program. Under his strategic leadership, U.N. organizations and other multilateral groups have become more fully engaged in targeting all facets of the drug trade including law enforcement, demand reduction, and development efforts. Mr. Giacomelli has also been instrumental in forming vital subregional programs including those in the Newly Independent States. Under his guidance, the UNDCP has also played a large role in coordinating assistance channeled to key drug trafficking and producing nations.

Mr. Giacomelli has had a long and distinguished career in the international arena prior to becoming the Executive Director of the UNDCP in 1991. He joined the Italian diplomatic service in 1956 and served in Madrid, Paris, Kinshasa, and New Delhi before returning to the Foreign Ministry in Rome. He also served as Italy's Ambassador to Somalia and Syria. In addition, Mr. Giacomelli is a former Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, a post he held in 1985. It is my honor and pleasure to introduce Giorgio Giacomelli.

MULTILATERALISM AND DRUGS CONFERENCE

July 15, 1993

"Global Problem: The Role of the United Nations"

Summary Statement

Giorgio Giacomelli

Executive Director

United Nations International Drug Control Programme

I want to thank Helene Kaufman and the Center for Strategic and International Studies for the opportunity to be with you here today. I also want to express my appreciation to Congressman Lee Hamilton, Congressman Tom Lantos, and Congressman Benjamin Gilman, and to the House Foreign Affairs Committee, its Subcommittee on International Security, International Organizations, and Human Rights, and to Senator Joseph Biden and the Senate Committee on the Judiciary for sponsoring this event.

The Global Problem: The growing complexity of the illicit drug problem requires a change in emphasis from unilateral and bilateral to multilateral approaches. There are myriad and complex forces operating to shift the emphasis to a multilateral one. Drug-related trends which were once geographically limited have expanded and taken on global dimensions. The globalization of trade, communications, and travel have diminished the effectiveness of unilateral and bilateral drug control initiatives. Illicit drugs cannot be controlled through traditional national approaches to seal borders and limit national demand. For example, the European Community Common Market and the ineffectiveness of cross-border random inspections have increased the opportunities for trafficking and limited the capability of global law enforcement efforts to detect illicit drug trafficking. The proposed North American Free Trade Agreement (NAFTA) could have similar implications for United States-Mexican drug control in this hemisphere. A vast increase in cross-border investment flows only facilitate drug-related money-laundering worldwide. This expansion of existing moneylaundering operations is even taking root in ex-communist states where the concept of money-laundering is a foreign one. The demand for hard currency fuels the production and flow of illicit drugs and the related money-laundering operations at unprecedented levels throughout Eastern Europe and the former Soviet republics. Drug trafficking syndicates have far outpaced the international community in establishing a global network.

The Role of the United Nations: The dramatic expansion of drugrelated problems during the 1980s to an estimated \$300-\$500 billion in illegal profits annually prompted the world community to reexamine its approach to the problem. The unprecedented worsening of production of opium, coca, and the spread of addiction prompted the world community to develop new responses based on the global nature of the problem. The major events focusing international attention on illicit drugs included: 1) the International Conference on Drug Abuse and Illicit Trafficking (ICDAIT) in 1987; 2) the 1988 Vienna Convention that provides for a multilateral focus on issues such as money-laundering, precursor chemical control, mutual legal assistance treaties, and extradition; 3) the Special Session of the General Assembly of 1990 culminating in the Global Programme of Action; and 4) the London Summit of 1990.

These multilateral initiatives resulted in a global consensus on the necessity for a heightened, central role for the United Nations in the global fight against illicit drugs and the recognized need to enable the United Nations to respond to the combined expectations of member states regarding the global drug threat. At the same time, the member states highlighted the importance of improving the efficiency of the United Nations structures to deal with the problem of illicit drug control. An Experts Group was established to examine the issue of how to improve the United Nations' effectiveness and structure culminating in General Assembly resolution 45/179 establishing UNDCP by merging functions and structures of three United Nations drug control entities.

The UNDCP Strategy: The UNDCP is, by design, a small, flexible action-oriented organization whose institutional priorities require constant adaptation to evolving drug trends. The 1992-93 biennium budget of approximately \$180 million gives the organization a proactive strategic role based a a global, balanced approach linking prevention, drug awareness, and education with critical law enforcement efforts. The Dublin Group, an informal consultative group of international donors concerned about the global drug issue, have developed several promising regional initiatives that have great potential for expansion. For example, th Dublin Group Coordinating Function in Eastern Europe, the Commonwealth of Independent States (CIS), and the Baltic States, currently focused on law enforcement could be expanded to include other prevention and education efforts as The UNDCP sub-regional strategies are also valuable in achieving progress in areas where bilateral efforts have been less effective, e.g., Southeast Asia, Southwest Asia, and Central Africa.

The UNDCP strategy envisions a key role for the institution as one of creating the intellectual foundation for the global antidrug efforts. It is for this reason that the Programme is pleased to be associated with this ongoing CSIS series on the international drug industry and drug policy. UNDCP as a creative, flexible UN agency should be at the forefront in charting new approaches to the problem, while wrestling with the

complexity and scope of the global drug threat.

The UNDCP Mandate: The UNDCP is tasked with the responsibility to coordinate all drug control activities within the United Nations system and those that logically extend beyond the United Nations to other international arenas. By definition, the program must be untainted by suspicions of hidden political objectives. One of the advantages of the UNDCP multilateral initiatives over bilateral ones is that the UN agenda is not perceived as an extension of any single country's foreign policy objectives, but rather the consensus mandate of international donor and recipient nations. One example of this approach is from Colombia where the debate in the Colombian Congress focused on whether that nation should become a party to the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. UNDCP sent two legal experts to the Congress to explain in detail the aims of the Convention and clarify any misunderstandings. The result was that Colombia acceded to the Convention. UNDCP had a pivotal role in assisting Since questions of sovereignty were at stake, a in this context. multilateral effort was more useful that a bilateral one.

Politically Sensitive Countries and Regions: The Colombian example focuses attention on the importance of multilateral channels for drug-related problems in politically sensitive countries and regions, rather than trying to achieve similar results through unilateral or bilateral initiatives. Obstacles which prevent bilateral progress can be circumvented through a multilateral approach. For example, in the case of Myanmar, the UNDCP has played a pivotal role in creating a forum for dialogue related to that country's opium production. Joint decision—making committees involving Myanmar, China, and Thailand have been established to exchange information regarding such politically sensitive information as locations of clandestine laboratories. Other examples include the UNDCP supported intercountry agreements between Myanmar and Thailand, and Myanmar and China, with participation of Laos and possibly Viet Nam.

UNDCP as Neutral Party: Drug control activities initiated through multilateral channels are perceived as neutral by recipient countries. For example, Cuba is in a strategic location between Latin America, the Caribbean and the U.S. and has the potential to become either a buffer or a springboard for illicit drugs. UNDCP is able to go to Havana to work with the Cuban Government on the recent formulation of its Master Plan and possible UNDCP for its implementation. In Peru, the auto-coup where President Fujimori assumed dictatorial powers in 1992 by disbanding the Congress and usurping the right to imprison his opposition, severely disrupted bilateral relations with many countries. However, the UNDCP has been able to maintain a multilateral channel with the Peruvian Government and is working with Peru on a Master Plan to deal with their expanding drug problem. In another part of the globe, the UNDCP is working with Iran and Pakistan to help them establish working arrangements to

deal with their common drug problem. In this way the UNDCP helps to integrate states into the international community by helping them fight the continued expansion of illicit drugs in their region.

Pooling of Resources: Multilateral initiatives can maximize the use of scarce human and financial resources through enhanced coordination and communication to prevent the overlap of antidrug activities. This efficient use of resources is seen repeatedly in regional and subregional initiatives where recipient and donor countries can pool their resources to accomplish priority activities through sound strategic planning. Member states can help accelerate the development of multilateral approaches by securing broad political and financial support for global initiatives. This is being encouraged through the national legislatures and governing bodies of multilateral organs, e.g., United Nations General Assembly, ECOSOC, and World Bank Board of Governors.

Multisectoral support within the United Nations system can also be coordinated through UNDCP. For example, relevant agencies and especially the international financial institutions, should reflect the drug dimension in lending and assistance programmes. Integration of drug control efforts should be incorporated into the overall development framework of countries where illicit production and trafficking is a dominant factor in their economies. Poppy clauses should be introduced and enforced on foreign aid of member countries and multilateral aid destined for illicit drug production countries. Finally, the UNDCP is working with the World Bank, the Inter-American Bank, the International Fund for Agricultural Development (IFAD), and the Joint Consultative Group on Policy (JCGP) to assure that drug control issues are incorporated into the strategic planning and development framework of the programs of these important development institutions.

Drug problems can also be addressed indirectly at the multilateral level through trade and investment vehicles such as the GATT and other efforts to liberalize trade by removing barriers to exports of developing nations and creating alternative sources of income.

Financial and Political Support: To accomplish these multilateral initiatives, the member states need to incrementally shift funds from bilateral/unilateral assistance programmes to multilateral channels, Italy is one example of a successful effort to accomplish this critical shift. It is important to note that of the voluntary contributions to UNDCP of approximately \$72 million in 1992, 73% was contributed by only four governments. Clearly, to accomplish a broad multilateral mandate, a broader financial base, with a longer-term funding perspective is needed. In addition to increased incremental funding, member states must ratify and adhere to drug-related conventions in order to assure compatibility among the procedures

to be followed by different governments. In addition to securing more political and financial support for a multilateral drug initiative within their own governmental institutions, the member states must reaffirm the international community's commitment to the multilateral approach against drug abuse in the plenary sessions of the General Assembly.

Common Framework for Cooperation: Multilateral success requires a common language, common vocabulary, and common legal framework for cooperation in drug control. In this regard, the UNDCP offers considerable legal assistance for ratification of drug conventions and other legal agreements to assure continuity and commonality of purpose among the members of the international community. In the area of information and intelligence sharing, the UNDCP recognizes that such information sharing will always be a sensitive issue. Nevertheless, it is important to strive for cooperation while understanding that governments will not rely solely on multilateral channels to accomplish this and other drug control objectives. Domestic drug control initiatives should always be the domain of the individual government and within that government's responsibility.

Individual governments are beginning to realize that multilateral efforts must become a central component of their drug control strategy. There is no other alternative. The multilateral framework for drug control must be strengthened so that as governments decide to turn to it, effective assistance will be more readily forthcoming. The current ad-hoc approach must be replaced with a multidimensional approach institutionalized at the multilateral level. This is beginning to happen at the inter-agency level of the United Nations with various fora for consultation and information sharing.

Finally, let me reiterate that multilateral efforts will never completely replace bilateral or unilateral initiatives nor should they. However, by working together on a balanced programme, by establishing a common multilateral framework, by encouraging further regional and subregional initiatives based on promising efforts already underway, and by incrementally increasing the political and financial support of member states for multilateral, multisectoral institutional approaches to drug control, we can best respond both realistically and efficiently to the global drug problem. Thank you for the opportunity to be with you today.

Statement of Congressman Benjamin A. Gilman Conference on Multilateralism and Drugs Center for Strategic and International Studies Washington, D.C.

Thank you for your very kind introduction. I want to commend the Center for Strategic and International Studies for organizing this second conference on the continuing problem of narcotics. I also want to thank by good friend and distinguished colleague from California — Tom Lantos — for cosponsoring this series of events that help to focus attention on this vital public concern.

For the United States – 1993 has been a year of uncertainty on drug policy. For those who have been engaged in this struggle over a number of years – it has been a year of frustration as the Clinton Administration has sought to establish its bearings – review programs of the previous years – and set a direction of its own.

For the drug traffickers - however - it has been business as usual.

Within the Western Hemisphere — Colombia, Mexico and Bolivia have made significant progress developing and implementing anti-drug programs — thanks to support from the Bush Administration. Peru has been plagued by starts and stops, but appears to be make some strides in countering the traffickers.

Governments in the so-called "transit zones" of the Caribbean and Central America have also been cooperative. Traffickers once felt they could operate in the Caribbean with impunity. Now they find themselves pursued aggressively.

The Central American Presidents have also recognized that drugs threaten their young democracies. They have expressed interest in greater cooperation with the United States.

The Organization of American States -- through the Inter-American Drug Abuse Control Commission -- has also stepped up its efforts to mobilize the Inter-American community.

This hemispheric cooperation has been at no small cost to the governments and the people of Latin America. The willingness to confront the narcotics traffickers has affected the personal safety of many public officials and other leaders — as we have seen in the shooting of Cardinal Posadas of Mexico — as well as the safety of ordinary people.

Europe has become an increasingly attractive market for the cocaine cartels and for money laundering. But growing awareness of the drug threat also has increased—and cooperative programs are starting to take shape. I am heartened by the expanding European commitment to international control efforts and the creation of a committee in the European Parliament to oversee narcotics issues.

The United Nations has also registered its concern over the global nature of the narcotics threat with the creation of the United Nations Drug Control Program in 1990.

These efforts by governments and international organizations to assist us in confronting international drug trafficking have been helped by a wide variety of U.S. commitments.

Unfortunately, since the Clinton Administration took office, the United States appears to be uncertain as to the future of these commitments. With progress finally being made, this is not the time to appear less than resolute in dealing with the drug problem. Unfortunately, the actions of this administration do not match its rhetoric.

One of the President's first acts was to downsize the White House Office of National Drug Control Policy – slashing its staff by 80 percent, along with its budget. Lee Brown – an experienced law enforcement executive – is an excellent choice to head that office. But we need more than a high-profile appointment. We need a coherent policy and the resources to implement it.

Lee Brown has promised an interim strategy in September. But meanwhile, he must oversee the entire range of U.S. counter-narcotics programs with a skeleton staff.

On May 14th, the President stated U.S. support for international drug efforts in no uncertain terms. These are his words — "I think especially where we have governments with leaders who are willing to put their lives on the line to stop or slow down the drug trade, we ought to be supporting them and I expect to do that" — end quote. It was the right thing to say.

But – just last month – the Administration did nothing to stop the House from cutting its own fiscal 1994 request for the State Department's Bureau for International Narcotics Matters by 32 percent.

This \$48 million reduction could cripple our international narcotics efforts at the very time those whom we have persuaded to take on this task most need our leadership and support.

Another disturbing signal is the proposal to reorganize the State Department narcotics bureau by adding to it the Office of Coordinator for Counterterrorism. There may be some overlap among narcotics, international crime and terrorism, but each merits its own priority. The Assistant Secretary of State who would be in charge should not be called upon to choose.

My concern — though — is not directed solely at the Administration. The recent action to abolish the House Select Committee on Narcotics has also contributed to this uncertainty. That committee was a focal point for narcotics-related issues in the House of Representatives and should have been maintained.

But -- leadership on this issue must come from the President -- especially as to the signals the United States sends abroad. So far -- at least -- his actions have not matched his rhetoric.

The focus of this meeting is on the prospects for multilateral approaches to the drug problem. This effort recognizes its international nature and the need to work with other countries to achieve lasting results. Concern for such an international approach is one reason Congress -- in 1992 -- strongly called for vigorous efforts to implement the 1988 United Nations Convention on drugs.

This concern is also expressed through our active cooperation with the Inter-American Drug Abuse Control Commission and the United Nations Drug Control Program. Both programs merit our support — but are limited by budget constraints. For example, the United Nations program has an annual budget of some \$85 million — of which nearly half is provided by Italy and the United States.

This is against a worldwide drug economy estimated to be generating resources somewhere between \$100 and \$300 billion annually.

For these international efforts to be effective they must have the resources and the commitment of the entire international community of nations.

We must recognize that multilateralism does not just happen. It requires leadership and commitment at home and abroad. If we are to sustain and continue the progress achieved so far, the United States must not back away from its efforts.

Unfortunately, I am concerned that this is the message we are sending. To our friends overseas we seem to be saying — "do it yourself." At home — we also seem to be calling a retreat. Cuts in funding — lowering of priorities — vagueness of purpose and absent leadership — add up to a disturbing message.

The recent High School survey noted that our counterdrug message — while effective in reducing current use — is in danger of not reaching the next generation. We are sending mixed and muddled signals to our youth — a sad portent for the future if we fail to act.

Similarly on the international front – we now seem to be abandoning our leadership role – and with it – our allies in this struggle. We will regret it if we let this happen.

In drugs — as in so many other areas — U.S. leadership is essential to progress and action. I hope we will sustain our efforts — our commitments — and most importantly —our leadership.

I hope this is the message of our next speaker -- whom I am pleased to welcome -- the Counselor to the Department of State and my former colleague in Congress, the Honorable Tim Wirth.

Mr. Wirth — before joining the State Department — served the people of Colorado in both the House and Senate. He has also served in the Department of Education and the old Department of Health, Education and Welfare. He has long been interested in global issues and is putting his experience to use as the Secretary of State's point man for formulating the post-Cold War multilateral agenda.

Tim, we appreciate your taking the time to be with us today, and we look forward to hearing about the Administration's multilateral vision for U.S. foreign policy

MULTILATERALISM AND DRUGS

July 15, 1993

Remarks by
Department of State Counselor
Timothy Wirth

MR. WIRTH: Thank you very much. I appreciate having the opportunity to come by, share some thoughts with you, and to once again thank you (Congressman Benjamin Gilman) and your colleagues on the House Foreign Affairs Committee for your help and support. We had a very constructive hearing together day before yesterday on the issue of terrorism, and here we are again discussing the enormous task of dealing with the global narcotics problem which you have been so much in the forefront of helping us pursue.

I have a number of formal remarks, which I will dispense with. Giorgio Giacomelli and I met together a couple of weeks ago in Vienna, and we meet together again this afternoon. We're so pleased to have you here, and have you in the place that you are in the United Nations, and we greatly appreciate the commitment that you've made, both personally and professionally, to this enormously important task.

Let me, if I might, put my comments into four packages, do this informally, and maybe it's most useful to do it that way, and then that gets us to questions. I would like, first of all, to talk a little bit about the interconnectedness of a whole new set of issues in our foreign policy and that of the rest of the world. Second, to talk a little bit about the U.S. perspective and what changes should be made. Third, to talk about what is clearly going on in the new world out there, that is structured very, very differently from the institutions of today. And finally, to talk about some of the budget problems that we face, and the realities that those dictate for us in the United States and the realities that exist elsewhere.

So let me go to each one of those very briefly, and then come to questions, if we may. Maybe that's the most helpful way to do this. First, on the subject of interconnectedness and the changing world, we're accustomed to conducting our foreign policy from the perspective of a series of bilateral relationships, and the United States has viewed these relationships as primary. Therefore, the State Department is dominated by these lines that go out from Washington to other capitals. And we live in a world from Washington to London, and Washington to Paris, and Washington to Delhi, or wherever it may be, and assume that somehow these defined polities, defined political outlines, are the ones that are defining our foreign policy.

Increasingly, it's becoming clear that the old jurisdictional lines are less relevant, and that there are a series of new forces that don't know anything about lines that were drawn on a map somewhere. These rather different kinds of forces are pressing and changing the way in which we ought to do business, and this is challenging our government, and every other government. These global issues are pretty obvious to all of us, such as the one we're talking about today, drugs, and the interconnectedness of drugs to so many other issues.

We see a second issue of population and population growth, spilling over the line and leading us to migration and refugee policy. The relationship of all of these to terrorism, and the money that's involved in international crime. We see a very, very sharp overlap -- an unhappy overlap -- between terrorists, terrorist organizations, the funding of terrorism, and I think we're going to see more of that as that relates to the funding coming in from illicit drugs and the interconnectedness of this to the international crime question.

All these tie together, and we're also increasingly seeing the tie of all of these to environmental issues. All one has to do is to look at new satellite imagery of areas in Peru, Colombia, and elsewhere to understand the enormous environmental damage that comes from the illicit drugs. We have to think about these global issues in a different kind of integrated fashion, and it is vexing. It is much more complicated and much more difficult than our traditional lines of foreign policy. It is much more difficult to organize ourselves to meet these kinds of challenges that don't fit into the same kind of neat boxes that we've been familiar with in the past.

The Clinton Administration is reorganizing our government to attempt to recognize these realities. Rather than try to push the new realities into old boxes, the State Department has been reorganized in its broad global affairs unit. Secretary Aspin and the Defense Department have a major new commitment to looking at these issues across service lines in a different way. The CIA is reorganizing itself. The National Security Council is reorganizing itself. Not to say that these efforts are perfect, but if one believes that form follows function, you know these functions are very, very different, and we've got to have a form that reflects the functions we're supposed to undertake.

We're trying to adjust the bureaucracy and presumably budgets will follow. Budgets are supposed to be a reflection of what we are trying to do. All one has to do is look at the budget for foreign policy in this country to realize that there is an enormous disconnect between what our priorities are and what we're spending money on, and that's another set of changes we have to make. I'll come back to that in just a minute.

Second, from our perspective on the overall issue of drug policy, the Administration is reorganizing and retasking its

efforts. Lee Brown was sworn in a couple of weeks ago, and he will have the dominant role of doing that for us as U.S. Drug Czar, both domestically and internationally, but it's no mystery as to what has to be done.

If we look at the overall drug effort, it tends to fall into three categories: What we're doing domestically, what we're doing in interdiction and on the border, and what we're doing in what one might call the host country effort. In the previous Administration, an enormous amount of time, effort, and funds were put into the interdiction model. We spent a lot of time engaging parts of the Navy, the Air Force, Coast Guard, and so on. Interdiction has been extremely costly, and I think most would agree that has been pretty ineffective. The interdiction model is going to be changed and downgraded sharply by this Administration and has been already.

The emphasis is going to be placed at the two poles, instead, counter to what was done before. Those two poles are the one here at home on the demand side of the equation, putting much greater emphasis on demand, and on demand programs, and folding those into the social and economic programs, all of our urban programs in the United States. The second is an international one, focusing on multilateral and host country cooperation.

A transition has to be made. Again, there is a disconnect between policy and resources. We have a huge number of resources available for the interdiction effort and a shrinking amount of resources available for the demand effort. There is a budget disconnect there, and that's what part of the budget battle is all about. This is what is going on in dealing with the reconciliation package; the debate on this package starts today. Part of this relates to this attempt to shift priorities, and it is devilishly difficult to get institutions to shift and change, particularly institutions that have been focused on the Cold War for such a long period of time. It is a very deep and entrenched constituency. How do we get them to move to the priority area, which is a much greater emphasis on the demand side? So that's one of the major shifts in U.S. drug policy that must be accomplished.

A second one is to try to focus much more carefully on the host country mechanism to help countries like Colombia, Bolivia, and Peru, to establish their judicial efforts, to strengthen their law enforcement efforts, to help them develop the institutional capacity to work effectively over a long period of time against this enormous threat of money that is managed by drug traffickers in those areas.

If we are not successful in doing that, I, for one, believe that we're going to find ourselves facing a number of so-called narco-democracies in the Western Hemisphere and elsewhere, small country governments that are taken over by this vast amount of narco-funding, and that funding is buying people

out. We've seen it politically all around the country -- all around the world. I heard Mr. Giacomelli speaking about that.

The potential for narco-democracies is acute in countries that are poor, especially where a major military presence has been diminished because of the advent of democratic institutions. At the end of the Cold War, suddenly, there's no longer military money going in there, weapons money going in there, and that creates a vacuum, and who's going to fill that vacuum?

The narcotics people are no fools, and they understand that these officials are good prey for them. If we are not very careful and extraordinarily vigilant, I think we're going to see a number of governments with a democratic facade that are, in fact, run by a number of people whose motives are actually very different than those that I think are shared by everybody in this room.

That means that the United States Government has got to do a much better job than we have in the past of telling people what it is that we're trying to do in those countries. And we have done, I think in the past, a very poor job of telling the story about how we have worked very carefully, and I believe very effectively, for example, with the Bolivian government. You look at Bolivia a decade ago, or fifteen years ago, it was a country that was racked with a series of problems, a high inflation rate, a government that was — one would scarcely call democratic in any way, shape or form, whose stability was highly in question. These were some very significant problems.

But today, we see an inauguration in Bolivia on the 6th of August. Those extraordinarily brave people who stood up to all these threats over the last decade are now seeing the fruit of their efforts. We should be rejoicing in that, reinforcing that, and attempting to take that kind of a success story and help that translate elsewhere.

What we have been doing in Colombia, and the efforts, again, made there by a number of extraordinarily brave people countered the power of two or more cartels, with a vast amount of economic power, and increasing amount of military capability. The Colombian government, in the face of assassinations, in the face of political officials being killed, judicial officials being killed have got to be reinforced, and have got to be reinforced by us in the United States of America.

If we pull out support, as unhappily the current appropriations suggest that we are doing, then what we are giving is precisely the wrong signal to those host country governments, and to the political efforts that are being made. This is different from sending down a lot of helicopter pilots or a lot of people who want to drive tanks, or whatever.

This is really reinforcing the political structures of those countries -- political, small p -- and those judicial structures. We must help to make the military accountable to government and help create a strong and diverse civil society.

Unfortunately, this story has not been told well. In the United States Congress today, and I think broadly across editorial boards in the country, many people believe that our efforts in host countries have been a failure. They identify what we've been doing in host countries with what have been generally failed policies in interdiction. They think that those are the same. There is a very sharp distinction that has to be made. We have to do a much better job of telling that story. That's one of the major challenges that we face in redefining our own change in U.S. perspective.

Again, to go back to the change in policy, it's pretty obvious what that's going to be: much less emphasis on interdiction, much greater emphasis on demand at home, and much greater emphasis on institution building in host countries, working with governments abroad — and telling that story to the American Congress and the American public, who do not know what victories have been achieved, and who do not know what verying to do. That is a major challenge that this Administration faces. Third, we are looking at the changing face of the world in terms of functions — and I mentioned some of those earlier. We are talking about issues like counterterrorism, narcotics, population, environment, that spill across national lines. There are also a couple of other forces that are going on out there that are very different from anything that we've known before.

We are accustomed to dealing with national governments, dealing national government to national government, as I suggested earlier. But the world is no longer stuck just on that model. There are, I believe — and I think that every democratic government is facing this, increasing grass roots popular support for these issues. This popular support is reflected in the importance of these issues nationally and in the G-7. There are inexorable pressures pushing upward and inexorable pressures pushing downward on our national governments.

What do I mean by that? There is an inexorable pushing upward for national governments to work in an international arena on a multilateral basis. The only way in which we can be effective in dealing with these new sets of issues is to join up with other countries and trade information, to trade expertise, to work together on these new pressures -- whether those are narcotics, which is Mr. Giacomelli's responsibility, terrorism, population, or the environment. In all of these global issues, international efforts are needed.

You look at counterterrorism. Increasingly, we are seeing countries banding together, and working together, on these issues. So we have a pressure going up, and what I mean by

"up," is looking at broader global, multilateral forms. We need a positive international climate, with nations working together on a multilateral basis, providing support and help for Mr. Giacomelli's very valuable efforts, and others, like the OAS which is working with countries in this hemisphere.

We must trade information, trade expertise, work internationally, work cooperatively, and that's something that institutions have a difficult time doing. We have a tough enough time making our own State Department work. We have a tough enough time making our own process work. How do we then translate that into a much different, and new, complicated set of multilateral relationships? It's very important for us to learn what we're working on, and, thank goodness, we have some extraordinarily able international civil servants like Mr. Giacomelli who are out there on the line trying to make this new set of relationships go.

While that is happening, and the pressure is pushing up, there is another set of pressures which is pushing down, which is to localize things. We all know that there is a very deep and important pressure to decentralize. Democratic governments are less legitimate, you know, if people don't believe in them. You know, Tip O'Neill used to say, "All politics is local," and he's right. And increasingly, that is the case, that we are seeing pressures going down to decentralize away from the old sort of nation-state model.

Where do we see that in particular? All of us who deal in international affairs see that, in dealing with private voluntary organizations, nongovernmental organizations. There is an inexorable pressure to deal down, and we have to learn how to do our business in a different way going down as well. We need to reinforce the integrity of local democratic processes to work. Democracy is very important to us. The accountability that comes through the pressure for democracy, coupled with this inexorable pressure to decentralize, all fit together. If we can get our institutions and our thinking to go with that kind of a flow, then we can advance our causes and our direction in the United States of America to be pursuing and advocating democratic societies, while supporting inevitable worldwide trends toward decentralization.

The opportunity is there with us. Governments don't like to do that. Government institutions like the State Department don't like NGOs to come in the door. We believe we know how to do our business. Bureaucrats aren't good at letting people in.

Members of Congress, for example, are learning how to have town meetings and how to reach out, and that's a new and inevitable process that's going on. How do we deal with this different kind of horizontal, driving pressure which is very, very different organizationally than what we've had before?

The final issue which ties all of these together is budget, and if we are going to be serious about interconnectedness and the new nature of the world in which we are dealing, if we're going to be serious about refocusing our narcotics programs, and if we're going to be serious about looking up and looking down and responding to these pressures, our budget has to change to do that.

Unfortunately, it hasn't. We are in a situation today that our budget does not reflect what people in this room would say in response to the question, "What are our foreign policy priorities?" Before long, everybody in this room would come up with counternarcotics and the importance of that. Everybody in this room would say we've got to make greater efforts on counterterrorism. People would probably also refer to the issue of population and maybe the overwhelming problem of all — the global environmental crisis.

Those are the kinds of issues that everybody in this room, I bet, would identify. And yet, if you look at the budgets for every one of those areas, they are either static or declining. They were the last issues in because they're the ones that people are just starting to think about now. So like employees, you know, last in, first out, these issues are last in, first out. All of the pressures, and that decreasing budget pie for those interests that have been out there for forty-five Cold War years, are organized to push these newer issues out to save themselves.

What we have to do in the United States -- and elsewhere, because it's going on in other countries as well -- is to think about our international foreign policy agenda from a zero-based budget perspective. If we were starting today and were building a budget to focus on the problems of 1993 and not 1953, how does that budget change? You know as well as I do, that would force very significant decisions on budget priorities. What we'd be doing on intelligence, versus what we'd be doing on operations, would be reflected in the budget.

You know what the situation is today, but what should it be? What will we be doing on interdiction versus demand? In other words, how many aircraft carriers versus demand programs here at home. What would we be doing on host country efforts versus what we are doing in terms of old military aid programs that continue as a fall out of the old Cold War?

But the budget has also not yet caught up with this new set of problems, and we all have a responsibility to keep pushing on that and to reach out to new constituencies in going down. Where are those grass roots constituents out there that we can mobilize for this new set of programs, and this new set of priorities for our country? What do people in this country want, despite the other very well-entrenched interests who've been out there perfecting the ability to advocate their programs very well?

A final vignette on that front. I remember one of the first votes I made as a freshman member of the Congress was on the B-l bomber, which you may remember. The B-l bomber, which later came in at a modest \$400 million a copy. We were trying to question the B-l bomber, and found out, as we were doing that, in the mid-1970s, that the B-l bomber at that point was on its way to what it achieved in the early 1980s, which was subcontracts in 435 Congressional districts.

[Laughter]

MR. WIRTH: Not bad and not dumb, right?

[Laughter]

MR. WIRTH: Well, why can't we do the same sort of thing with this new set of issues to create constituencies out there. There are Planned Parenthood groups in almost every Congressional district. There are groups concerned about drug abuse, for example, Mothers Against Drug Abuse, in almost every district. Well, all these groups exist for the full set of global issues. For example, there are Sierra Club chapters everywhere that are concerned about the global environment.

We have got to take that constituency and mobilize and drive that politically to focus on these new priorities, if, in fact, we are going to succeed in having a funding pattern that reflects 1993 and not 1953.

Anyway, let me stop with that, Mr. Giacomelli. I'm delighted to be with you here today. We need to build constituencies, as your organization is attempting to do, to make the changes that have to be done. Can you point out — tell me any other department in our government that when it has a problem doesn't alerts its constituents? The State Department is the only one that says, "Oh, Jesse Helms is getting us," or whatever it may be, right? They don't have any constituency. If you don't have a button to push that then gets out the lawyers and doctors and so on drug policy, or the environmentalists on environmental policy, the population groups on population policy, then you can't get the job done. That's what we have to do. It's not rocket science. It's basically constituent politics, which is what this country has been about since James Madison wrote about this, and it's a perfectly good thing to do.

The State Department doesn't understand that. The State Department constituencies don't understand that because the State Department has been traditionally focused on bilateral relationships. "Well, we'll call the Embassy in London, and that will solve the problem."

We're now starting to organize, and to be supportive of the new U.S. policy on population, for example, and to help get support for that. I mean, it just makes so much sense.

MS. KAUFMAN (moderator): The Drug Enforcement Administration is having a program this Monday with the private sector and, for example, a representative of Drug Watch International, a grass roots non-profit organization, is coming in from Peoria, Illinois to that meeting to discuss the global drug issue and its impact on the international private sector.

MR. WIRTH: See, if they can learn in Peoria, they can learn anywhere.

[Laughter]

MR. WIRTH: Remember the old line that Everett Dirksen -- wasn't it Everett Dirksen that was from Peoria -- "How does it play in Peoria?" He always used to say that. Well, here it's playing in Peoria, right? That's great. That's terrific.

You've got to figure out what sells in Peoria, and you've got to figure out what sells in Denver, Colorado. The crime issue is a very salient issue. Unfortunately, some of the wrong things have been emphasized. Building more prisons. Or like in medicine, we fix people after they get sick rather than working on the problem by keeping people well. The drug issue is very much the same.

How do you do this? If you talk to people they also know that a lot of the interdiction efforts with aircraft carriers and airplanes haven't worked. When you talk to people, they know that demand is the major problem -- people out there know that demand is where it's at. They know that's the case.

They also want those drug dealers picked up on the corner of the street; no question about that. That's part, again, of the political process. How do you sell this kind of an issue, like others, in this new environment? We've got to figure out how to sell that, how to market this new direction for America. That's politics, with a small "p."

MR. WIRTH: (In response to a question on interdiction.) There are two different kinds of interdiction programs. One was based on an assumption that somehow you could cut this all off at the border. We're not going to be able to do that. There's no way in the world we're going to be able to do that.

There was an assumption somehow that you could stop the airplane coming in, and it just did not work, and we know that it did not work. We need to make it costly for the people who are transporting drugs to transport them. They can't do it with impunity.

You can raise their cost and their problems, the harassment value, with relatively small investments of money, you know. You get a good return for your dollar on that. But don't

assume that, in that process, you are going to be able to cut off all drugs coming in. You see the distinction?

There are things we have learned how to do better than others. We've gotten more sophisticated at this along the way, and we've got to keep trying on that front. But don't assume that, by funding DOD, you know, and having them spill over billions of dollars in cost that, in fact, you're getting a requisite return for that investment. Probably you're not.

We are more successful where we are working with host country military, working with police forces, working with the judicial system. I mean, these are the kinds of investments that are much much smaller, that the evidence suggests pay off much more handsomely. Where do you get the greatest return for a scarce dollar, and these are American taxpayer dollars, and where do you get the greatest return for a dollar invested?

Do you have a massive military effort to do that? No. Are we going to work with host countries? Yes. Are we going to find targeted areas where investments pay off? Yes. Let's learn from our mistakes in the past. Let's not assume that we are going to cut it all off nor maintain a massive effort that's not going to be particularly cost effective. It's much more cost effective to work on demand at home.

MR. WIRTH: (In response to a question on funding.) On the funding problem, I stated that we have not told the story very well, and Congress, I think, if you were to ask the average member of Congress what's going on they would equate our host countries program with the major interdiction effort. They have not made a distinction. We have not done a good job telling the story.

We've got to tell the Bolivia story. We've got to tell the success stories in Mexico. There have been some very significant success stories in Mexico. Some very significant success stories in terms of retraining, encouraging judiciaries, rule of law programs, and so on. These are the stories that we have to tell well.

Congress is reacting to -- well, none of these. They think it's all interdiction, that anything that's outside of the United States is interdiction. They're saying, "Cut it off." So that's why we've lost about 50 percent of the budget that should be going into the host countries.

It's a very, very bad decision being made. It's a complete abrogation of the idea that we're living in a new world. It's really very shortsighted, but it's very understandable. We haven't told the story very well.

Increasingly, as Mr. Giacomelli knows, developing countries are also having severe demand problems. This isn't just a domestic problem. Countries that have become conduit countries end up as countries that have significant drug problems. They spread

out from those airports, and so on. You can watch it spread right out. So countries are coming to understand this isn't just Uncle's problem, it's everywhere. We can help in that kind of a technical fashion as well. Again we have to tell that story. That's an important thing for us to do.

In terms of helping elsewhere, it is very important that we understand that in Russia and in the other Newly Independent States, the interrelationship of crime, narcotics and the birth of democracy in these countries. You know far better than I do the issues of organized crime, the flows of money, and their ability to impact poorly paid -- if paid at all -- bureaucracies and police forces. This corruption has a devastating consequence.

Now, we are setting up a new unit on international crime that's hooked up in the State Department with narcotics and with terrorism, because the three are so interrelated, contrary to what Congressman Gilman says. They're all the same issue. They're all the same. You have to have people who are trained across the particular issues. You have to have people who understand that when you've got one problem, as you know, you're going to get all. They all tend to pop up.

You've seen that wack-a-ball game.

[Laughter]

MR. WIRTH: You go to the amusement park, and you put in a quarter and the guy starts the thing, and you have a minute, and there's a board in front of you. You wack the different pieces. After one goes down another pops up again. This is the new world we are living in and these are the very real challenges we are facing.

End of Remarks.

Remarks of Timothy E. Wirth Counselor of the Department of State CSIS/Congressional Conference on MULTILATERALISM AND DRUGS July 15, 1993

Mr. Chairman, Congressmen Lantos and Gilman, Executive Director Giacomelli, and other distinguished participants, I am delighted to have been invited to join you today at this important conference to consider in depth the important topic: Multilateralism and Drugs.

If I could reverse the word order of our topic, I think that in its title we would have first identified the problem we are addressing -- drugs -- and, then, multilateralism as part of the solution.

Let me explain. Drugs are the root of the problems we are examining today. Their most obvious manifestation is in the human misery they inflict. Any resident of Washington or reader of this city's newspapers can describe that for you. But this root has poisonous branches that infect far beyond the abusers and their families.

- Drug trafficking's sheer profitability corrupts politicians benefiting from drug-generated votes and influence, judges bribed by fear or money, bankers profiting by refusing to recognize money laundering, merchants profiting by selling precursor chemicals to all comers, or policemen unable to resist bribes worth many times their annual salary.
- That same profitability also finances terrorism. The synergy between the drug trafficker and the terrorist is becoming more important in the post-Cold War world -the trafficker finances the terrorist who protects drug operations while pursuing his terrorism.

The international drug industry threatens the foundations of democracy. Traffickers sow weaknesses in democratic institutions, seek out new markets and attain political and economic influence through corruption and intimidation.

Drug trafficking attacks us in other ways. It damages the environment. Ask anyone who has seen the destruction of virgin lands and the displacement of legitimate crops by slash and burn agriculture in pursuit of opium, coca and marijuana, and the pollution of streams and rivers by drug-producing chemicals.

Finally, drug trafficking is an international criminal enterprise crossing many borders and jurisdictions with the objective of avoiding the laws of each.

My point, of course, is that drug trafficking is a multifaceted crime that must be attacked through international coordination and cooperation, or as appropriately stated in our topic today through "multilateralism."

U.S. Perspective

From the U.S. perspective, our challenge is

- -- to preserve the best of the counternarcotics programs we have, while adapting them to the new realities,
- to cooperate with other governments to ensure that our projects complement and support each other,
- to support and strengthen the role of multilateral organizations, especially by recognizing their unique and extremely valuable attributes,
- -- to reach beyond governments and fully utilize the potential of non-governmental organizations and the private sector, and
- -- to explain our strategy to the American people in a manner that will gain their moral support as well as their support for assistance voted upon by their elected representatives.

The last point is extremely important. Constituency-building is the critical element for the sustained support necessary for an effective counternarcotics strategy.

The essential goals of such a strategy, for the United States and all other countries, are two-fold: to attack drug trafficking at its source and to reduce domestic drug consumption. Dr. Lee Brown, in remarks following his White House swearing-in ceremony as Director of the Office of National Drug Control Policy, endorsed a two-pronged strategy attacking both supply and demand. Domestically, it would, he said, "support those approaches of demonstrated effectiveness, such as community policing," and "underscore the fact that drug addiction is as much a public health problem as it is a criminal justice one by expanding the availability of treatment and enhancing the quality of the same."

President Clinton at the same ceremony pointed out this strategy's international dimension: "We pledge to work with other nations who have shown the courage and the political will to take on their own drug traffickers who destabilize their own societies and their economies."

Multilateral Approach

We must follow a multilateral approach for some very practical reasons.

- -- Multilateralism recognizes that many governments are more comfortable cooperating with us in a multilateral setting.
- -- Multilateralism is effective in building acceptance of uniform counternarcotics standards and procedures which may be incorporated into international treaties and model regulations.
- -- Multilateralism strengthens the financial support of other countries for counternarcotics programs, as well as their participation in these programs.
- -- And multilateralism provides the United States with opportunities for the expansion of counternarcotics activities in areas where we may be constrained by resources or political limitations.

International Organizations

I listed some of the practical, generic reasons that multilateralism is such an important element in U.S. counternarcotics strategy. The two organizations we work with most closely in pursuing a multilateral strategy are UNDCP and the Inter-American Drug Abuse Control Commission of the Organization of American States, known by its Spanish initials, CICAD.

There are very good reasons for doing so:

- They are the specifically mandated counternarcotics agencies of their parent organizations of which we are members. Their mandates are recognized by international treaties.
- -- They have records of success and are staffed by dedicated professionals.
- They operate in regions of primary importance to us, such as the cocaine-producing areas of Latin America and the heroin-producing areas of Southwest, Southeast and Central Asia. Where we have programs, we coordinate our efforts. Where we do not have programming capabilities, we support their programs.

They are proactive in developing effective counternarcotics projects, including training programs, that attract international donor support; and they are responsive to suggestions for projects from countries without the resources to undertake them unilaterally.

U.S. Interaction With UNDCP

At the Spring 1993 meeting of the Commission on Narcotic Drugs, the governing body for UNDCP, the United States introduced two resolutions which recognize UNDCP's unique abilities.

One resolution emphasized the importance of effective international cooperation in chemical diversion control, and requested UNDCP "to provide financial, technical and material assistance, including training, and to coordinate assistance that international and regional organizations or governments may provide, in the implementation of chemical control regimes."

The resolution places UNDCP appropriately in the center of international cooperation in chemical control.

The second resolution requested UNDCP to convene an expert group to study the feasibility of establishing an international working group to develop common procedures for combatting illicit traffic at sea as called for in the 1988 UN Convention.

The maritime initiative is just getting underway. We look forward to its successful implementation —— to which we will contribute in any way possible —— as a further manifestation of the value of multilateralism.

Multiplier Effect

Another unique and valuable attribute of UNDCP is its ability to enlist other organizations in the international struggle against narcotics. We fully support and encourage UNDCP's complete utilization of this attribute.

These are two among many examples. We have long felt that counternarcotics objectives appropriately should be included in the programming decisions of international assistance agencies and financial institutions. Our interest has been shared by others, and it has resulted in the United Nations System Wide Action Plan on Drug Abuse Control, or the SWAP.

Mr. Giacomelli, as Executive Director of UNDCP, is coordinator of the SWAP, a responsibility in which he has our full support. The potential is significant if we can find ways for institutions such as the United Nations Development Program, the World Bank, the World Food Programs, and others to meld counternarcotics goals into their overall programming objectives. I think we will increasingly see this link become a reality through the efforts of Mr. Giacomelli, and as the disastrous effects of criminal drug trafficking on economic development become too obvious to ignore.

The other example I want to note is enlisting the support of private sector and non-governmental organizations. They are important elements in any counternarcotics strategy. They are particularly important to the multilateral components of such a strategy. For that reason, we have been working closely with UNDCP to mobilize these groups. In May of this year, with U.S. participation, UNDCP organized a preparatory meeting for the International Private Sector Conference on Drugs in the Workplace and Community, to be held October 13-15 in Seville, Spain.

UNDCP has now taken the lead on this important initiative which will include, in addition to the private sector and NGO's, local governments, educational organizations, and other specialized UN agencies. Through this mechanism, U.S. groups such as Daytop International, DARE, PRIDE, Partners of the Americas, and others will be able to share their wealth of experience in building a drug-free workplace.

CICAD/OAS

Let me also stress how highly we value the work of CICAD.

You may have noticed we attach great importance to multilateral efforts to stem money laundering and chemical diversion. CICAD has been in the forefront in this hemisphere in developing uniform procedures for combatting both. The OAS Model Financial and Chemical Regulations are the standards for the hemisphere. CICAD training and assistance programs in both areas are the key to enforcing these standards. We support them both.

New Approaches

I realize I was asked to speak on "New Approaches to the Global Drug Problem." You know, I hope, that we are now in the process of developing the drug strategy for the Clinton Administration. Therefore, it would be premature, not to say indiscreet, for me to speak definitively of new approaches at this time.

I have, however, gone into considerable detail on the importance of a multilateral component in any drug strategy. An approach built around multilateral organizations can make a significant contribution. I wanted to convey to you our recognition of the importance of multilateral initiatives. I would expect the multilateral approach to be continued, if not intensified, as a vital part of the counternarcotics effort.

PRESENTATION BY IRVING G. TRAGEN, EXECUTIVE SECRETARY,
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION,
ORGANIZATION OF AMERICAN STATES,
TO THE CSIS CONFERENCE ON MULTILATERALISM AND DRUGS
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C.
JULY 15, 1993

Let me thank the Center for Strategic and International Studies for the invitation for the Inter-American Drug Abuse Control Commission (CICAD) to participate in this Conference. This focus on multilateralism and drugs is recognition of the transnational characteristic of this illicit economic activity and of the imperative of increasing effective cooperation and coordination among and between the constantly rising number of countries affected by the phenomenon.

The focus of my presentation this morning is on the development of more effective multilateral programming and action to complement and supplement national and bilateral efforts. Ambassador Giacomelli has spelled out the world-wide agenda, and in this context the inter-American drug program has served as a regional complement. The Inter-American Drug Abuse Control Commission (CICAD) is convinced that cooperation, not competition, between the UN world-wide and the various regional programs is an essential condition for effective multilateral efforts to promote and strengthen cooperation and coordination among countries in dealing with illicit trafficking drug abuse.

I

Why is a multilateral approach necessary? The nature of the drug problem is the obvious answer. We are dealing with a vertically-integrated international economic activity which links cultivation in selected countries with manufacture in others, transit through third countries to distribution points close to major consumption centers, with money laundering in any part of the world that offers the right conditions.

This is a complex chain of activities which does not respect national borders. It is controlled and orchestrated by organized crime with global linkages and sophisticated management systems. The drug chain is financed by the huge profits generated by drug sales in the major drug distribution centers, primarily in the US and increasingly in Western Europe and East Asia.

Control over this transnational criminal activity has defied unilateral action by countries. Indeed, such unilateral action has frequently generated political friction between countries which has, on occasion, been manipulated by criminal organizations to turn public opinion against anti-drug efforts and soured otherwise constructive intergovernmental relations.

It is precisely in order to build viable multilateral action that is complementary to the unilateral and bilateral action that most of the governments, especially of the producer and transit countries, have sought over the past decade to strengthen the structure of multilateral organizations and their capacity for dealing with the drug problem. In this process, the UN in 1990 integrated its three anti-drug programs into the United Nations International Drug Control Programme (UNDCP). In 1986, the OAS created CICAD. Over the past several years, INTERPOL and the Customs Cooperation Council have been strengthened and expanded.

Central to this process was the drafting and adoption in the United Nations of the basic world-wide juridical instrument for promoting inter-country cooperation to combat illicit trafficking and drug abuse, the 1988 Convention of Vienna. These developments have all occurred since 1984, the year when the Cartel of Medellin gunned down the then Minister of Justice of Colombia, Rodrigo Lara Bonilla, as retribution for his increased efforts to cripple the Cartel's organization and operations.

Despite the expanded efforts of the past few years, there is no basis for believing that adequate progress has been made to bring this problem under control. As the Mexican representative to CICAD, Lic. Jorge Carrillo Olea, emphasized at the eleventh semiannual meeting of the Commission in 1992, despite all of our unilateral, bilateral, multilateral and multinational efforts, the situation has not substantially improved and we have not significantly reduced drug trafficking and drug abuse, or the violence, corruption and social disruption generated by it. This statement sparked a decision by CICAD to review the situation in the hemisphere and to evaluate the current strategies employed by member states and CICAD to deal with drugs. This process is now underway. Colombia and Mexico have sponsored a similar initiative in the United Nations.

The use of multilateral bodies to spearhead this assessment process is recognition of the role that they are being called upon to play in solving critical problems that transcend national borders. In the multilateral setting, all affected countries become key players in the design and implementation of strategies and programs, and they can more easily identify with the decisions and action taken and accept responsibility for the results.

In the specific case of CICAD, in the inter-American system, we have seen process at work in strengthening cooperation and understanding among governments.

II

What role can and should multilateral bodies play in dealing with illicit trafficking and drug abuse? We are still in the age of the nation state, and national or bilateral action will continue to

be the prime mover and ultimate authority in dealing with the drug problem.

It is axiomatic that multilateral bodies are only as strong as their members, the nation states, allow them to be and, in this context, we are still in the initial stage of delegating certain sovereign powers to a multilateral body. Hence, realistically, action through multilateral institutions must be shaped to the achievable and build on efforts to forge inter-country cooperation, within the framework of multilateral programming and systems.

The key to spelling out the multilateral role is a realistic appraisal of what nation states are prepared to delegate to multilateral bodies and what the capabilities of the various multilateral institutions are. The experience over the past several years is that the multilateral bodies have much greater capabilities than have been tapped to date, but that a larger role for them requires a commensurate increase in their budgetary resources and access to critically-needed technical personnel. The capability is there to be developed.

Another key ingredient is setting realistic goals. There are no miraculous solutions to the drug problem--neither zero tolerance nor legislation. Real solutions call for coordinated long-term action at the world-wide, regional, national and local levels. The world-wide and regional multilateral fora can serve precisely this function if given the opportunity. This essentially requires the use of the UN Commission on Narcotic Drugs and regional fora like CICAD as the meeting place for senior officials in the respective member states to plan and coordinate actions and assessments. There is still a long way to go in making such use of these fora.

Another major role for the multilateral bodies is to develop compatible legislation world-wide and regionally for dealing with a common problem. Differences in norms and procedures between countries have torpedoed many an effort to interdict illicit trafficking and to dismember criminal syndicates. With the 1988 Convention of Vienna, we now have a world-wide juridical framework for intergovernmental cooperation. Building on the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances, there is a world-wide legal system in place. Almost every country in the UN has adopted the 1961 Single Convention, over 100, the 1971 Convention, and 70, the 1988 Convention. CICAD has adopted the UN Conventions as its juridical framework and has shaped its efforts in promoting and strengthening legal development to reinforce the work of the UNDCP.

Let me illustrate this concept by drawing on the work of CICAD in its legal development priority line of action. CICAD worked with the UN in promoting the ratification of and accession to the 1988 Convention, and 24 of the 35 OAS members states are among the 70 parties to this Convention. CICAD has also convened experts from

member states to prepare model legislation needed by countries to implement key provisions of the 1988 Convention of Vienna. Experts from 11 inter-American countries prepared Model Regulations to Control Precursor Chemicals, Chemical Substances, Machines and Materials, which deal with Articles 12 and 13 of the 1988 Convention and which seek to prevent the diversion from licit world trade to illicit drug trafficking of those chemicals essential for the manufacture of narcotic drugs. CICAD has conducted policy seminars, workshops and training programs to help states adopt and apply those Model Regulations. Some 12 countries now have them in force, with 9 more in the adoption process. The UN and G-7 have used these Model Regulations to encourage similar action in other regions of the world.

A second expert group from 13 inter-American countries drafted Model Regulations on Money Laundering Offenses and Asset Forfeiture, in accordance with the principles set forth in the Convention of Vienna. Model Regulations were adopted by CICAD and the OAS General Assembly in 1992, and CICAD has been engaged over the past year in building country support through seminars and workshops. Three countries have adopted them and 10 are in the process of preparing national laws based on them.

In a broader perspective, CICAD in collaboration with UNDCP and the OAS member countries, is sponsoring the establishment of subregional legal development centers, in Central America, the Caribbean and South America, which can promote inter-governmental cooperation in the harmonization of drug laws and among the judicial and executive branches in dealing with drug operations and cases. The first Center for Central America should initiate operations in the second half of this year.

III

In addition to the legal framework, there are specific program areas in which multilateral action to promote cooperation and the sharing of experiences can be crucial ingredients to complementing national efforts in the search for effective solutions to the drug problem.

Let me cite demand reduction as one of these specific program areas. As long as demand exists, someone will satisfy it. Even if all the illicit production of coca leaf and poppy were to be eradicated throughout the world, and if the demand is sustained, designer drugs would still be produced in clandestine laboratories to meet that demand.

Demand reduction requires effective action through programs of prevention, treatment and rehabilitation and community involvement, in making drug use socially unacceptable. This is no easy undertaking. It requires multiple social, economic and educational efforts. While each community in each country, is indeed different

and different approaches are needed to reach different groups. There is a rich body of experience being developed in the schools and communities of many countries which can and should be systematically shared. In the Western Hemisphere, we can draw on the Canadian private sector program, Drug Free Canada, the Miami experience in seeking to rehabilitate drug users, the Southwestern US community programs, the Youth Integration Centers in Mexico, the Colombian school-community outreach program and the community efforts in Argentina, among many others.

CICAD has developed two priority lines of action to facilitate not only the sharing of experiences but building subregional systems for longer-term cooperation. One is related to education for prevention; the other is community mobilization against drugs. In both cases, CICAD works systematically with countries through workshops, seminars and exposure to new program concepts, encourages them to set up national action programs, which can be reinforced by cooperation among countries. This process has already led to the adoption in 1990 of the Inter-American Program of Quito: Comprehensive Education to Prevent Drug Abuse, the implementation of which in Mexico, the Caribbean, Central America, the Andean countries, Brazil and the Southern Cone is a major CICAD activity.

The analysis of and action on demand reduction, through institution building, training, research on the extent of drug abuse and the identification of high risk groups, and problemsolving, as well as the sharing of experiences, in a multilateral setting, is certainly more relevant to most countries than bilateral aid. Indeed, when UNDCP or CICAD sponsors the activity, I have noted a higher sense of common purpose; and when resources and technical support have been available to implement conclusions and recommendations, the results have been most promising.

Let me suggest that the same rationale supports greater multilateral action in supporting countries on other key components of this problem, including the elimination of illicit cultivation, the strengthening of national drug agencies responsible for conducting and coordinating national programs, facilitating participation by NGOs and the private sector in national program, the development of uniform statistical systems and the operation of national and local drug information centers. Multilateral organizations can provide the longer-term framework, as well as the institutional structure, needed for programs to be developed, implemented and evaluated.

The major area in which multilateralism is still in question is in connection with law enforcement. The UNDCP, working with INTERPOL and the Customs Cooperation Council, has developed data bases and alert systems—world—wide and regionally. But actual operations of anti-criminal investigations, interdiction and arrests remain essentially an area of national action, unilaterally, bilaterally and multinationally. Questions of

sovereignty have limited even joint operations in border areas, as they do on initiatives to create multinational police forces and criminal courts with the multinational jurisdiction.

Law enforcement still gets the lion's share of resources allocated to dealing with the drug problem. 70% of the US budget is focused on the interdiction of supply--most of which comes from external sources. Are most countries prepared to support a multilateral approach to law enforcement? Probably not yet. The US has stimulated the creation of the G-7's Chemical Action Task Force and the Financial Action Task Force. In the UN and OAS, countries tend not to endorse multilateral initiatives on actual enforcement of the law. Yet, the transnational nature of illicit drug trafficking requires us to explore new roles for multilateral bodies in law enforcement, if only to avoid some of the disturbing bilateral political problems which the current unilateral and bilateral practices have spawned.

Let me conclude by reiterating the need for all of us to reassess where we are in relation to our goal for bringing the drug problem under control. There is a role for every community, every business, every NGO, every country, every multilateral mechanism. Multilateral programs cannot create national commitment and will, nor substitute for national efforts. But they can, and should, provide the framework for cooperation and long-term multi-country programming to deal with this transnational problem.

TOWARD AN INTERNATIONAL DRUG AGENDA: THE CASE FOR NEW STRATEGIES, NEW INSTITUTIONS, NEW PROGRAMS

A Paper Presented at the Conference on Multilateralism and Drugs

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by

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As governments around the globe begin to wrestle with the drug issue, it is tempting for Americans to leave them to their own devices. After all, U.S. resources are finite, and law enforcement and public health officials have more than enough drug trafficking and drug abuse challenges here at home to attend to. For many citizens and law makers, giving a cold shoulder to foreign leaders would atone years of accusations that the illicit trade in narcotics was strictly a problem of the United States own making, spawned by pleasure-seeking Americans who lack self-restraint.

The rationale for resisting a drug policy retreat to within our borders is straightforward—any drug control strategy that does not have a multilateral component will fail. It will fail because no national response can stand up to a transnational challenge. By "transnational" I mean an activity that operates within the international system that is not directly sponsored by a state and which freely ebbs and flows across national borders without regard for traditional sovereign controls. The drug trade represents a prototypical example of transnational activity.

Consider first where most of the world's illicit drugs are cultivated. The biggest fields of opium poppy are in Burma and Afghanistan. Peru and Bolivia have the greatest acreage of coca leaf. Much of the world's supply of hashish oil comes from Lebanon. New opium cultivation is taking place in the Central Asian republics of the former-Soviet Union and in Guatemala. Coca cultivation has spilled over into remote regions in Brazil, Ecuador, and Venezuela. In all of these places, the governments are unable to exercise sovereign control over vast tracks of their national territory. This is true because (1) there are not enough public resources to police remote areas of the country; (2) the government's political legitimacy is fragile making it unwilling or unable to challenge one of the few viable "industries" available to a significant proportion of its population; (3) the territory where drugs are cultivated are contested by militant terrorists, guerrillas, or revolutionaries; or (4) all of the above. Given these obstacles, any independent

U.S. effort to encourage or compel these governments to stem drug production is not likely to succeed. Even if they had the ability to be responsive to U.S. pressures, none of these governments will support an aggressive crop eradication or crop substitution program unless they can thereby derive greater benefits (or absorb fewer costs) than they can by simply giving tacit approval to drug cultivation. The U.S. government has insufficient resources to transform that cost-benefit analysis for all current and prospective producer states.

Unable to dismantle the drug trade at its source, it is tempting to advocate aggressive efforts to stop the trade at our borders. Ports, airports, and land border crossings are locales where a sovereign's right to monitor and control the movements of peoples, goods, and services is nearly absolute. But as these movements continue to grow in volume, the ability of national governments to exercise that right has eroded substantially. For the United States, it is impossible to conduct detailed inspections of the 430 million people, 120 million automobiles, 8 million cargo containers, 720,000 jets and small planes, and 290,000 ships and small boats that cross our borders in a single year. A thorough inspection of just one cargo container takes five U.S. Customs agents three hours to complete. Yet only 13 containers filled with cocaine would need to slip through their mesh to satisfy the American coke habit for a year.

Drug traffickers know how difficult it is for a state to regulate international economic activity that takes place within and across its borders and they take full advantage. The Cali "cartel" provides a prime example. Like its better known counterpart from Medellin, the Cali cartel is a loose conglomeration of Colombian families based in a major Colombian city. Its operations parallel that of the modern multinational corporation with transportation, distribution, and money-laundering networks covering the globe. Outside the Western Hemisphere, Cali operatives work in Japan, Hungary, Czechoslovakia, Poland, Germany, Italy, Spain, Portugal, the Netherlands, France, and Great Britain.

Because the huge U.S. and European markets are located far from coca production areas, transportation is a critical component to the cocaine business. Contrary to the image conjured up by the "Miami Vice" television series, the Cali organization moves most of its illicit merchandise by way of commercial conveyances, not by low-flying Cessnas or aboard fast moving "cigarette" boats. Hiding drugs among the millions of containerized shipments of bulk cargo promises a much lower risk of detection than do runs for the border under the cover of darkness. Accordingly, the Cali organization uses international shipping centers in Central and South America, particularly in Brazil, Venezuela, Surinam, and Panama, to ship cocaine by sea to Europe and to the eastern United States. It conceals the drugs in a variety of imaginative ways, one of the most creative of which was to hide 15.7 tons of cocaine in 2000 concrete cement

posts (U.S. authorities seized that shipment in September 1991). Occasionaly, drugs are shipped to the United States circuitously, passing through Europe or Canada before arriving. By land, most cociane crosses the U.S.-Mexican border in hidden compartments of tractor trailers and other vehicles or in commercial cargo itself. When commercial airliners are used for shipping cocaine, the drug is hidden in the plane itself, or it is carried by human "mules" who swallow condoms containing pellets of cocaine. It is also concealed in luggage with false bottoms, in aerosol cans, and sneakers with hollowed-out soles. Sometimes it is converted to liquid and smuggled in bottles of shampoo, mouthwash, and liquor.

Once the drug arrives at its destination, it must be distributed. The Cali cartel has set up wholesale distribution networks throughout the country and exercises complete control over the New York and Washington, D.C. markets. If a load of cocaine arrives at Kennedy International Airport or the Port of Newark, one of the 10 to 12 Cali distribution cells located in New York receives it. Each cell is self-contained, with information tightly compartmentalized. Communications are conducted in code over facsimile machines, cellular phones and by pay phones. To eliminate any risk of interception, cellular phones are purchased and frequently discarded at a rate of two or three times a week. When a wholesale customer wants to make a purchase, a cell member is notified by a pager system. That cell member proceeds to a public phone and arranges a rendezvous site. He then gets a rental car that is returned to the rental agency after the transaction. The money is turned over to a money handler to be shipped to the financial network set up by the cartel to hide and invest it. A favored way to ship within the United States is the U.S. Postal Service's "Express Mail".

Maritime containers, tractor trailers, air travel, facsimile machines, cellular phones, pagers, rental cars, and overnight mail are the "necessities" of modern commercial life. They also do not lend themselves to the surveillance techniques available to most local and national law enforcement agencies. Thus by relying on these "necessities" to conduct their business, drug traffickers are able to operate within advanced societies with virtual impunity. A greater investment in law enforcement will not significantly alter the equation. It has become a fact of life that even within their borders, governments have few effective arrows in their quiver to exercise the prerogatives of national sovereignty.

Once the cartel has received the money for its drug sales, it moves it into and through the legal financial system to conceal its origins. If the Cali cell broken up by federal authorities in December 1991 is typical, the Cali financial network must launder up to \$300 million each year per cell. Money laundering typically involves three independent phases. First, drug proceeds are "placed" or used to make deposits or to purchase monetary instruments or securities that can be turned

into cash elsewhere. Second, the money is "layered," or sent through multiple electronic fund transfers or other transactions to make it difficult to track and blur its illicit origin. Finally, the source of the money disappears as it is "integrated," or invested into seemingly legitimate accounts and enterprises.

The revolution underway in the global financial and banking markets has made the job of money laundering easier and the job of law enforcement extremely difficult. Drug traffickers have a vast new array of possibilities for the placement of funds as national currencies become convertible and largely unregulated private banking institutions are founded throughout Eastern Europe, the former Soviet bloc and the third world. Many of these new banks have primitive accounting practices, no computers, and little or no experience with international banking The integration and increased efficiency of global banking system allows money launderers to layer money with little risk of detection. The sheer volume of electronic funds transfers makes them almost impossible to track. In 1991, for example, the Clearing House Interbank Payment System (CHIPS) handled some 37 billion transactions worth \$222 trillion. Finally, the sudden shift away from state to private ownership throughout the former communist world provides launderers with an array of "front" organizations to integrate their money into seemingly legitimate enterprises. The Cali cartel set up a number of such companies in Hungary, Czechoslovakia, and Poland in 1991.

Of course, the Cali cartel is not the only beneficiary of the changing international environment. Italian, Polish, Turkish, Georgian, Chinese, Vietnamese, Lebanese, Pakistani, Nigerian and many other transnational trafficking organizations are all profiting from the post-Cold War trends toward privatization and liberalization; an increase in the volume and diversity of world trade; the integration of global transportation, communications, and financial systems; and increasingly open and unmonitored borders between states. Collectively, what these organizations have been able to demonstrate through exploitation of these trends, is that the prospects for existing national drug control regimes are very sober indeed.

If the future of U.S. supply reduction efforts at the source and within or along our borders is as bleak as the discussion above suggests, there is but one remaining alternative that can be pursued unilaterally--reducing domestic demand. There seems to be little doubt that drug education and prevention programs hold out the greatest long term promise for arresting the human tragedy of drug abuse. But the speed at which new drug fashions can take root does not argur well for a domestic demand reduction program that is undertaken without a concurrent effort to confront the international drug trade itself. Given the long time-line associated with attitudinal change (there are still

millions of tobacco smokers in the United States despite three decades of dire warnings from a succession of Surgeon Generals) drug education and prevention programs may prove to be no match for the marketing abilities of the drug cartels. The swiftness at which crack cocaine appeared and spread makes the case. In the spring of 1985 U.S. health officials did not even have a common name for the new and particularly potent derivative of cocaine that field agents were beginning to report. By the fall, crack was front-page news in New York, Los Angeles, and Miami. Within a year it was on the streets of practically every big city in the United States. Now crack has made its way into cities across Europe and South America, and even, in more limited quantities, into Africa and the Pacific.

The crack "success" story could be repeated over and over again. The menu of synthetic drugs available to clandestine chemists is limited only be their imagination. If left to their own devices, an apparent victory against one drug will provide the incentive for trafficking organizations to develop and market another. They are likely to find a customer base given the ubiquity of the human qualities that fuel drug abuse. Individual factors that contribute to drug abuse include youth, personality, and temperament. Environmental factors include family and peer relationships, schooling and cultural and societal values. It is inevitable that there will always be impulsive, sensation-seeking personalities whose family and social conditions foster drug experimentation. Some experimenters will succumb to addiction. Meanwhile, the black market for psychoactive drugs will thrive, even if one drug or another falls out of fashion.

In short, a national war on drugs--whether it is directed at supply or demand--makes as much sense as a national war on ozone depletion. As with greenhouse emissions, even the most aggressive domestic response cannot insulate the United States from the fallout associated with the explosive growth of the drug trade beyond our borders. What is now the primary goal of U.S. international drug control policy--to reduce the supply of illicit narcotics flowing into the United States--must be made secondary to the goal of reducing the amount of illicit narcotics cultivated, marketed, and consumed worldwide. The only way to reach this goal is to generate and coordinate an international response.

Beginning with production, only a multilateral response can produce enough carrots and sticks to encourage a state to take action against cultivators. No crop eradication strategy will work unless it is part of a larger alternative development program. And no alternative development program will provide sufficient incentives for the government of a producer state unless it can both tap into the collective resources of the international community and guarantee global opprobrium and isolation for noncompliance.

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Combating trafficking requires a similar approach because only a coordinated international effort can close the loops in an increasingly open and unregulated international economy. To move illicit merchandise, whether it is precursor chemicals, drugs, or money, the trafficker needs only find the weakest points in the marketplace. When the United States tightens the controls on chemicals, he can buy them in Brazil and Libya. If inspections at airports and maritime terminals in Western Europe are intensified, he can fly first to Budapest or Prague and then cross the land border into Germany or Austria. If the Group of Seven (G-7) countries orders their banks to monitor depositors more closely, he can place his money in Dubai or Warsaw, layer it to diguise its origin, and then move his assets into a first-tier bank. An ample menu of alternatives like these will always be available as long as the international community encourages states to enter the global economy while permitting a multiplicity of regulatory rules or vastly differing levels of enforcement.

As a host of multilateral organizations such as the European Economic Community (EEC), G-7, World Bank, and International Monetary Fund (IMF) work to promote a new global economic order, conditions should be attached to aid and trade concessions provided to former-communist and third world countries. Development assistance should be tied to a recipient government's commitment to curb any activity that advances transnational threats such as arms proliferation, terrorism, and the drug trade. Subsequent aid should be tied to results. Since many of these countries lack the resources and technical means to put enforcement regimes in place, they should receive financial and technical help from the United Nations International Drug Control Program (UNDCP), the IMF, the International Maritime Organization (IMO), International Criminal Police Organization (INTERPOL), and regional organizations such as the Inter-American Drug Abuse Control Commission (CICAD).

Drug consumption, too, must be dealt with multilaterally. In the long run, reducing global demand is the only effective way to suppress the transnational drug trade and the traffickers who profit from it. As the world's largest drug market, the United States has the greatest incentive--and the greatest responsibility--to lead the international community in developing a collective response to the human tragedy of drug abuse. States need to be in constant communication about what new drugs are emerging, how they are used, and what approaches seem to work in response. The sheer scope of the problem requires a collective effort. Further, as the U.S. experience suggests, successful drug education, prevention, and rehabilitation activities ultimately must be undertaken at the local level and adapted to local circumstances. To this end, local leaders from the public and private sectors across all cultures and societies must be enlisted in a collective effort from the outset.

Any mobilization effort to redress global demand should include organizations like the UNDCP, the World Health Organization, the United Nations Children Fund (UNICEF), and the International Labor Organization (ILO), as well as such private voluntary organizations as the International Drug Free Workplace Partnership, and the InterAmerican Foundation that funds PVOs throughout Latin America. Multinational research on the sociocultural aspects of drug consumption should be supported. Informational and exchange programs for drug prevention and treatment professionals should be liberally funded.

Although multilateral drug control programs generally have enjoyed strong rhetorical support from U.S. policymakers, the budgetary backing for these programs has been much more restrained. Only one-tenth of 1 percent of last years \$11.9 billion U.S. national drug control budget were allocated to support multilateral drug programs such as INTERPOL, UNDCP and CICAD. Such a meager U.S. commitment sends a demoralizing message to these organizations. Taking \$250 million (2 percent of the overall 1993 drug control budget) from the costly and largely ineffective U.S. ovérseas interdiction effort and contributing it to these multilateral programs would allow them to play a meaningful role in any international drug control strategy and give them an incentive, which they have so far lacked, to be responsive to U.S. leadership.

The United States has been very committed in its battle with illicit narcotics for almost a decade now. Despite tight national budgets, U.S. government officials have not been shy in responding to America's drug epidemic--spending more than \$39 billion in federal revenues and billions more of state and local taxes in just the past four years. The perceived need to respond aggressively to the threat of illicit drugs has enjoyed widespread support among the American people and bipartisan support by their elected representatives. Intelligent and talented public officials have stepped up to the challenge, developing an ambitious and comprehensive national policy response. Thousands of dedicated and courageous field agents have put their lives on the line to carry out that policy. short, America's drug control efforts have enjoyed all the ingredients typically connected with highly successful public policy. Yet the United States has failed to control the spread of illicit drugs.

The drug problem requires Americans to face one of the most vexing but incontrovertible truths of the post-Cold War era: a state can neither insulate itself nor independently resolve a threat that extends beyond its national borders. Meeting such threats will require a strategy of cooperative engagement that includes a broadly based alliance of international, regional, and nongovernmental organizations. It requires reordering budgetary priorities to ensure that the multilateral programs with the best prospect for success are well funded. It also requires bureaucratically and conceptually the drug issue be moved from

the back room to the front parlor of the U.S. national security, foreign policy, and economic policy communities. To the degree that the expanding drug trade can potentially undermine the advancement of democracy, the opening of the global economy, and the peaceful resolution of conflict in the many troubled corners of the globe, it must be considered side-by-side with more traditional overseas concerns.

The lesson we must learn from the failed American experience with drug control is the we cannot tackle this problem alone. The fact is that even the resources available to the world's only remaining superpower are no match for this transnational challenge. Our only alternative is to develop new multilateral strategies, institutions, and programs. We need a new international—not national—drug control regime.

